



JCL International, LLC

2667 Northaven Rd. Dallas, TX 75229 Tel: 972-243-8668 Fax: 972-243-2844

JCL International, LLC – Dealer Franchise Agreement

This Agreement is hereby entered into as of the day of ____ / ____ , 20____ between JCL International, LLC. a Texas Limited Liability Company, having its principal place of business at 2667 Northaven Rd, Dallas TX hereafter called "DISTRIBUTOR" and

(Dealer's Company Name)
hereinafter called "DEALER", having its principal place of business at:

(Address)

(City) (St) (Zip)

1. Appointment.

1.1. Subject to the terms and conditions set forth herein, JCL International, LLC appoints Dealer as an authorized dealer for the retail sales and service of JCL

- On Road Products (Scooters, Mopeds, Motorcycles);
- Off Road Products, (ATVs; Dirt Bikes; Go Carts; Utility Vehicles)

And other parts and accessories. All of which are referred to as the "Products". For the period commencing on the above date and ending on 12/31/2008, or on any earlier date upon which termination of this Agreement may become effective (the "term of this Agreement"). Such appointment shall apply only to Dealer's showroom and facilities located as above and no other location.

1.2. Dealer accepts the foregoing appointment. Neither Dealer nor any of its officers, agents or employees is authorized to bind JCL International, LLC or to transact business for the account of JCL International, LLC in any way whatsoever. The relationship of the parties is that of buyer and seller, and this Agreement shall not be deemed to create any agency or joint venture between the parties.

1.3. This Agreement shall renew on the first of each year for a twelve-month period unless any party terminates this agreement by notice to the others, in writing, at least 30 days prior to the expiration of the term or renewal term, as the case may be.

2. Obligations of Dealer:

2.1. Dealer agrees to purchase a minimum of \$10,000.00 worth of products for its initial order.

2.2. Dealer agrees to commit to hold minimum \$10,000.00 worth of **JCL units at all times** within the period of this agreement. Dealer agrees to place an order within monthly period, in order to keep Dealer account active.

2.3. Dealer shall perform effective warranty service to correct any defect in Products covered by Distributor's Limited Warranty during the period of such Limited Warranty. Distributor will provide Dealer with spare parts and accessories necessary for such repairs under the terms of such Limited Warranty. (Warranty Policy as Attachment A.)

2.4. Dealer shall properly assemble, adjust and inspect the product to ensure that the products in compliances with all standards, requirements and procedures imposed by law.

2.5. Dealer shall assist its customers to complete our purchase agreement/ warranty registration(As Attachment B) and register warranty with distributor within 5 days after product sold. Dealer need to keep this purchase agreement with its original Bill of Sales in its file.



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- 2.6. Dealer shall comply with its state and local laws, regulations, and safety standards in all of dealer's conduct, including without limitation those of the U.S. Consumer Product Safety Commission, and obtain proper licenses and permits required by the state and local government and appropriate regulatory agencies necessary for the sales of the products under the terms of this agreement.

3. Obligations of Distributor

- 3.1. Distributor shall provide warranty parts service based on its warranty policy (As Attachment A). Distributor reserve the right to change its warranty policy from time to time. Distributor shall use it best efforts to maintain proper inventory level of spare parts.
- 3.2. Distributor will offer protected marketing area for a _____ mile radius from the dealer's location after a three month evaluation period. All other inquiries within the territory will be referred to the dealer.

4. General Miscellaneous Matter

- 4.1. Distributor shall at all times have the right to retain or retake possession of Products until paid in full. Dealer shall pay the cost of such retention or repossession, including any attorneys' fees and expenses.
- 4.2. Distributor will sell products to Dealer at such prices as may be announced from time to time, which prices shall be based upon the suggested retail selling price less a discount allowed to Dealer. Distributor will keep Dealer informed of any changes or additions made from time to time in suggested retail prices, or discount schedules, and Distributor reserves the right to change such prices or discounts from time to time, provided no change in amounts charged to Dealer shall apply to Products which have been delivered to Dealer prior to the effective date.
- 4.3. Dealer shall be responsible for all freight charge from Distributor warehouse to Dealer's location.
- 4.4. All risk of loss or damage after delivery shall be assumed by Dealer.
- 4.5. Distributor may at any time discontinue the supply of any Products, or make any changes in the design, specifications or materials of Products. Distributor shall be under no liability to Dealer on account of any such changes; nor shall Distributor be required to modify or install such changes on Products previously purchased by Dealer. Dealer shall not alter any Products, whether new or used, or do anything which will in any way tend to infringe, impeach or lessen the validity of the patents or trademarks under which Products may be made or sold or which will in any way tend to impair the reputation of Distributor. Dealer shall not do anything that will impair or terminate the applicability of the warranty with respect to any Products.
- 4.6. **Dealer will, at the time of executing and delivering this Agreement, furnish to Distributor a certificate from the Secretary of State or other appropriate governmental authorities that it is in good standing in the jurisdiction in which it is incorporated or otherwise constituted.** Dealer will also promptly report to Distributor all changes in its corporate name or trading style and all changes in its articles of incorporation, by-laws or similar documents.
- 4.7. **Dealer shall execute and deliver, and shall where appropriate cooperate with Distributor in causing to be filed with the appropriate authorities, any and all statements and documents required or permitted by the Uniform Commercial Code and any other local laws for the protection of an unpaid seller.**
- 4.8. Any claim, dispute or controversy arising out of or in connection with or relating to this Agreement or the breach or alleged breach thereof shall be submitted by the parties to binding arbitration in the City of Dallas, State of Texas, United States of America, before a single arbitrator agreeable to both parties. If the parties cannot agree on a designee within six (6) weeks after arbitration is requested in writing by either of them pursuant to this Agreement, the arbitration shall proceed in Dallas, Texas,



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United States of America, before a single arbitrator appointed by the American Arbitration Association and under the rules then obtaining of that Association. The award shall be rendered in such form that judgment may be entered thereon in any court having jurisdiction thereof.

4.8. This Dealer agreement shall be governed by and constructed under the laws of state of Texas without regard to its conflicts of law provision.

5. Indemnification.

Dealer agrees to indemnify and hold Distributor harmless from and against any and all claims, damages and liabilities whatsoever, asserted by any person or entity, resulting directly or indirectly from any breach of this Agreement by Dealer or any of its employees or agents. Such indemnification shall include the payment of all reasonable attorneys' fees and other costs incurred by Distributor in defending any such claims.

6. Termination of Agreement.

Upon no less than thirty (30) days notice in writing, either Dealer or Distributor at its option may terminate this Agreement.

7. Notice.

All notices pursuant to this Agreement shall be in writing. Notices in writing shall be sufficient (and shall be deemed to have been duly given or made upon receipt) if delivered in person, by courier service, by cable, by telecopy, by telegram, by telex or by registered or certified mail (postage prepaid, return receipt requested) to the party intended as the recipient thereof at the address of such party set forth at the head of this agreement, or at such other address or to the attention of such other person as such party shall have designated for such purpose in a written notice complying as to delivery with the terms of this Section.

8. No other Agreement:

Dealer acknowledges that it has not relied on any representations, warranties or promises not contained herein, that no oral statement has been made to it that in any way tends to change or modify any of the terms of this agreement, that there is no oral agreement or understanding between the parties affecting this Agreement or relating to the subject matter here of, and that this agreement, including the schedule(s) and exhibit(s) appended hereto, sets forth the entire understanding of the parties, and that there are no agreements or understandings between the parties except as set forth herein. This agreement may not be changed or terminated orally. All captions contained in this agreement are for convenience only and are not a part of this agreement.

9. Governing Law:

If any provision herein contravenes the laws or regulation of dealer's state or local government, or other jurisdiction wherein this agreement is to be performed, or denies access to the procedures, forums, or remedies provided for by such laws or regulations, such provisions shall be deemed to be modified to conform to such law or regulations, and all other terms and provisions of this agreement shall be remain in full force.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year hereinabove first written.

DEALER

JCL International, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____