

**retail sales agreement
for authorized retail account handling hotflops™**

this agreement (the “agreement”) is entered into by and between hotflops™, with a principal place of business at 871 seven oaks blvd suite 240 smyrna ,tn 37167 and _____, (“RETAILER”) with a principal place of business at _____ as of the ____ day of _____, 200__.

hotflops takes great pride in offering hotflops™ products as defined below (the “products”). hotflops™ is very selective in its choice of retailers and expects its retailers to be part of the unique image of its hotflops™ brand and its successful sales efforts.

therefore, hotflops™ and RETAILER hereby agrees to the following terms and conditions:

1. RETAILER shall only be authorized to sell the following products from one or more physical bricks and mortar retail stores that are owned, operated and maintained by RETAILER:
 - hotflops™ products
2. the sale of the products in RETAILER operated kiosks, islands, or other such mobile or stand alone units is expressly prohibited without hotflops™ prior written approval.
3. the exterior appearance of the RETAILER’s store(s) shall be of acceptable commercial standards for retail outlets selling high quality products.
4. the interior fixturization, decoration and overall interior image of RETAILER’s stores, including products and services offered, shall be of high quality, good taste and decor, consistent with acceptable commercial standards.
5. RETAILER shall only use the materials made available by hotflops™ for advertising, promoting, marketing, or sales, or any other business purpose pursuant related to the sales of the products. such materials are available through your hotflops marketing representative or info@hotflops.net or sales@hotflops.net . RETAILER may not create its own images, marks, or product text descriptions in conjunction

with the sale of the products. RETAILER may not use or copy any materials, including marks, text and images etc. that are located on the official hotflops™ Website (www.hotflops.net).

6. hotflops™ retains all proprietary interests in materials made available to the RETAILER via the marketing and sales materials listed above, including but not limited to copyright, trademarks, service marks, trade names, logos, images, text descriptions, or other words or symbols. RETAILER understands that it is being granted the non-exclusive, non-sub-licensable, non-transferable right to use the hotflops™ marks, images and text in advertising and promotional materials in accordance with the any brand identity guidelines given to RETAILER by its hotflops™ sales representative.
7. all methods of advertising, marketing or promoting the products must at all times be truthful, conform to the quality standards specified by hotflops™, and comply with all applicable laws and regulations. in the event shall RETAILER advertise in such a way as to diminish the image of the products or hotflops.
8. hotflops™ reserves the right to require that the RETAILER immediately change or discontinue the use of any hotflops™ advertising, promotional, marketing, or sales materials for any reason.
9. RETAILER shall sell the products only at the following retail location(s), and RETAILER shall not sell the products at other locations without the prior written approval of hotflops. (list retail store name, address, phone and store number if any; for further locations please attach list)

1. _____
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2. _____
—
3. _____
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10. hotflops™ selection of RETAILER is premised, in part, on the expectation that the RETAILER will sell the products to end users, at its above-listed locations and not to third party resellers. the products shall not be sold by RETAILER to any other entity for resale. specifically, no products shall be diverted to any outlet mall or online bidding or auction sites such as eBay, Overstock.com or any third party on-line store such as Amazon.com, etc. for resale or exhibition. further, no products will be sold by RETAILER to any individual or entity which hotflops™ or any retailer might reasonably believe has the intention of reselling the goods. in the event RETAILER breaches this section 10, RETAILER agrees that it will reimburse hotflops™ for the

repurchase of the products by hotflops™ from any other entity in which or through which RETAILER has diverted the products.

11. RETAILER agrees not to participate in the procurement of the products other than from hotflops, unless expressly approved by an authorized officer of hotflops™ in writing.
12. RETAILER agrees not to sell the products through mail order, internet or any other electronic media without prior written approval and authorization from hotflops™.
 - a. should RETAILER wish to incorporate the products into its retail website (“retail website”), RETAILER will be approved based on the following criteria:
 - i) retail web-based advertising or sale of the products must support the approved retail store location (“retail store”) in the following ways:
 - retail website must support the retail store’s name and location and provide information related to the same.
 - retail website must actively sell a variety of retail store’s products, including but not limited to hotflops™ products.
 - retail website may not sell exclusively hotflops™ products.
 - ii) retailer’s web-based advertising or sale of the products must support the following business aspects:
 - retailer must show an accurate, up-to-date line of products, images, and text.
 - retailer cannot use the term hotflops™, hotflop or any version thereof in its domain name(s) or as any part of its retail website title.
 - b. for approval, please submit RETAILER websites to the hotflops™ corporate office or tegan@hotflops.net. upon approval, the signor agrees that it will not deviate from the approved retail website without obtaining further written approval from the hotflops™ corporate office..
 - c. hotflops™ reserves the right to request that the RETAILER immediately change the retail website or discontinue use of the hotflops™ products in connection with the retail website at any time.
13. RETAILER agrees not to display any goods other than the products on hotflops™ display or under hotflops™ signage. furthermore, RETAILER agrees not to use hotflops™ product displays and signage for any purpose following the termination of this agreement. this section 14 shall survive the termination of this agreement.
14. RETAILER agrees that its failure to maintain the retail standards set forth in this agreement or to abide by terms contained herein will result in termination of delivery of goods by hotflops™. in such circumstance, hotflops™ shall have the option to

repurchase all or part of RETAILER's remaining inventory of the products at RETAILER's original cost.

15. RETAILER agrees not to sell or distribute hotflops™ product outside of the United States. If RETAILER does not comply with this condition, RETAILER will be prosecuted to the full extent of the law.
16. all orders are subject to acceptance and availability.
17. this is the entire agreement between hotflops™ and RETAILER with respect to the subject matter contained herein. this agreement may not be amended unless in writing and signed by an authorized representative of hotflops™ and RETAILER. in the event of a conflict between this agreement and any other agreement between hotflops™ and the RETAILER, this agreement shall prevail.

date

signature of RETAILER

phone number and e-mail address where RETAILER can be reached

Tax ID Number (Required)

hotflops™ terms & conditions of sale

hotflops™ corporate office
871 seven oaks blvd.
smyrna, tn 37167
tel: 615-625-7082
fax: 615-625-7085

new acct. requirements: copy of resale certificate. minimum opening order: 4 six-packs. however, we recommend 8 six-packs w/ a free spinner.

terms: prepaid (visa, mastercard, american express, discover card) required for all opening orders. net 30 terms available upon credit approval and signed personal guarantee.

shipping: all merchandise is shipped by ground service unless otherwise specified. all freight is payable by the purchaser.

availability: all items are subject to availability. standard ship time is 14 – 21 days; however, some items may incur a 2 week delay.

reorders: reorders will not ship on past-due accounts. minimum reorder: 1 six-pack.

returns & credits: any shipping discrepancies and/or claims for defective merchandise must be reported within **7 days after receipt of shipment**. upon request, a return shipping label can be issued for defective merchandise only. additional negotiated returns are subject to a 10% re-stocking fee. all credits issued are available for merchandise purchases only. **refunds are not permitted.**

order cancellations: all cancellation requests must be made at least 10 days prior to the requested ship date. cancellations received after 10 days will incur a cancellation fee of \$25.00 per sales order.

n.s.f. checks: all bank returned checks for non-sufficient funds will incur a \$35.00 service charge.

finance charges: All accounts 30 days or more past due will be assessed a finance charge of 1.5% per month until balance is paid in full.

delinquent accounts: All accounts over 90 days will be deemed delinquent and will be sent to collections. A \$25.00 service fee on the balance will be added to the total for collection processing fees.