

KNIGHT'S MANUFACTURING COMPANY DEALER AGREEMENT

This Agreement made and entered into this _____ day of _____, 2013, between Knight's Manufacturing Company ("KMC"), a Corporation, with offices at 701 Columbia Boulevard, Titusville, Florida 32780, and _____ ("DEALER"), a _____ (Print State of Incorporation) corporation having its principal place of business at: _____ (Print Address, City, State, Zip, Country), collectively referred to as the "Parties".

WHEREAS, the Knight's Manufacturing Company and its affiliates, KnightVision LLLP, Knight's Armament Company, a Sole Proprietorship (KAC) and Kniarmco, a Corporation, are developers and manufacturers of firearms, accessories and spare parts;

WHEREAS, the DEALER named above is a duly licensed distributor of firearms, accessories and spare parts and desires to purchase KMC products for resale to qualified purchasers;

NOW THEREFORE, in consideration of the mutual covenants and promises of the Parties contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby mutually agree that:

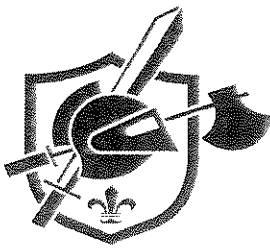
1. Definitions

The following words shall apply to this Agreement:

- 1.1 "Prices" shall mean KMC's then-current Prices for Products as may be provided by KMC to DEALER and its customers.
- 1.2 "Terms and Conditions" shall mean KMC's terms and conditions.
- 1.3 "Product" shall mean firearms, accessories and spare parts provided or to be provided by KMC.
- 1.4 "Territory" shall mean the primary sales within the United States.
- 1.5 "Dealer Price" shall mean the price that the DEALER will pay KMC for Product. All prices are in U.S. dollars.
- 1.6 "Order" or "Purchase Order" shall mean a document initiated by DEALER and signed by an authorized DEALER representative and delivered to KMC following the procedure outlined below. It shall include complete part number, scheduled delivery date, shipping method, finance terms for order, and ship-to address.
- 1.7 "Non-Exclusivity" means that KMC retains the right to appoint other dealers and distributors and to make direct sales to any person or entity without any compensation to DEALER.

2. Appointment

Subject to the terms herein, KMC hereby grants DEALER the non-exclusive right to purchase, promote, distribute market and sell the Products in the Territory. To induce KMC to enter into this Agreement, DEALER represents and warrants to KMC that DEALER is:



- 2.1 Qualified to resell the Products and will maintain all licenses required by all federal, state and local laws, statutes, ordinances and regulations relating to the sale and distribution of firearms during the term of this Agreement;
- 2.2 Capable – Sufficiently knowledgeable in the Products to do so.
- 2.3 Extra Territorial Business – DEALER shall not initiate or continue any contact or sales effort with respect to any potential customer for the Products outside the United States without prior written approval from KMC.

3. Acceptance of Appointment

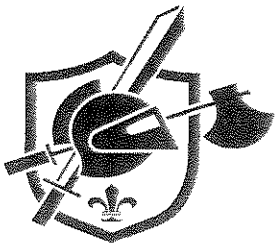
DEALER hereby accepts appointment as a DEALER of the Products on the terms and conditions provided for in this Agreement.

- 3.1 Relationship between DEALER and KMC – In all matters relating to this Agreement, DEALER shall be acting as an independent contractor and neither DEALER nor its employees, agents, or others associated with DEALER in the performance of this Agreement shall be employees or agents of KMC, nor shall any of them have the authority to represent themselves as such or in any capacity except as set forth in this Agreement. DEALER assumes full responsibility for the actions of its personnel, agents, employees, or representatives while DEALER is performing pursuant to this Agreement, and shall be solely responsible for their supervision, daily direction and control, and for payment of salaries, commissions or other compensation, payment of taxes (including any amounts for state or federal income tax, FICA or any other taxes), worker's compensation, unemployment insurance, disability benefits and the like. Nothing contained in this Agreement shall be construed to give either party the power to direct and control the day-to-day activities of the other. The Agreement does not create and shall not be construed as creating any relationship of agency, partnership, or employment between the parties. KMC and DEALER enter this Agreement as and shall remain independent parties. KMC shall not be required to withhold any amounts for state or federal income tax, FICA, or any other taxes from sums becoming due to DEALER under this Agreement. DEALER'S employees shall not be considered employees of KMC and shall not be entitled to participate in any plan, arrangement, or distribution by KMC pertaining to or in connection with any pension, stock, bonus, profit sharing, or other benefit extended to KMC employees.

4. Duties of DEALER

In satisfaction of its duties under this Agreement, DEALER shall undertake the following duties in a professional manner to the satisfaction of KMC:

- 4.1 Sell – *Aggressively market and sell KMC's PRODUCTS* and use its best efforts to promote and sell KMC Products to public law enforcement and private parties.
- 4.2 Restrict - the sale of firearms to those persons lawfully authorized to purchase or own firearms and not sell any KMC Product to any person or entity who is not complying with the laws and regulations relating to the sale or distribution of firearms.
- 4.3 Prohibitions - DEALER shall not directly or indirectly: 1) sell firearms to person(s) where false or misleading statements have been made with respect to the information required to purchase a firearm;

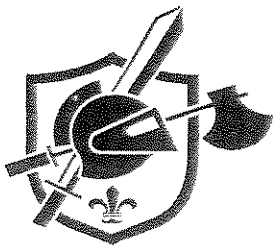


2) ship to other wholesale distributors who are not KMC contract distributors; and 3) sell KMC Products to individuals residing in state or municipalities where banned or restricted from sale.

- 4.4 Inventory - Purchase and maintain a sufficient inventory of KMC Products to effectively support product needs and maintain, at its own expense, suitable storage and warehouse facilities for this purpose.
- 4.5 Record Keeping - Maintain all required books and records relating to the sale or distribution of firearms and cooperate with all appropriate law enforcement inquiries relating to those books and records.
- 4.6 Threat of Legal Action – Notify KMC immediately of any threatened or any actual legal action against KMC or DEALER regarding the Products.
- 4.7 Legal Compliance – Comply with all applicable international, trade and export compliance regulations, territorial, federal, provincial, and local laws, ordinances, and regulations in connection with DEALER'S performance of this Agreement.
- 4.8 Permits – Obtain all licenses, permits, government approvals, custom duties, and any and all other licenses pertaining to the sale and shipment of the Product.
- 4.9 Features and Options – DEALER agrees not to add or remove any permanent features or options to Product without express written permission of KMC prior to shipment to end customer.
- 4.10 Resale – DEALER shall be responsible for resale of KMC's new Products including all freight, taxes, duties, fees, insurance, and packaging necessary to deliver to end user. DEALER will provide all applicable KMC safety and instruction manuals to end user in connection with the sale of new KMC Products.
- 4.11 Compliance with Export Control Laws - The DEALER shall comply with all U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120-130, as amended, the Export Administration Regulations (EAR), 15 CFR Parts 730-799, as amended, and the various economic sanctions regulations administered by the Office of Foreign Assets Control in the performance of this Agreement. In the absence of available license exemptions/exceptions, the DEALER shall be responsible for obtaining the appropriate licenses or other approvals, if required, for exports of hardware, technical data, and software, or for the provision of technical assistance.

DEALER agrees that it will not authorize the re-export of any of the above, including to foreign persons employed by or associated with, or under contract to DEALER without the authority of any export license or applicable license exemption. DEALER acknowledges that under U.S. export control laws and regulations, an export of technical data, technology, software, or technical assistance may occur through the oral, visual, or other transfer of such information to a foreign person, whether in the United States or abroad. For purposes of this contract, the term "foreign person" has the same meaning as in section 120.16 of the ITAR, as amended, or any successor regulation to section 120.16 of the ITAR.

The DEALER shall be responsible for all regulatory record keeping requirements associated with the use of licenses and license exemptions/exceptions. The DEALER shall be responsible for ensuring that the provisions of this clause apply to its subcontractors and to any other persons or entities to which it exports or otherwise transfers export controlled goods or information.



Upon termination, cancellation or expiration of this Agreement, DEALER shall destroy any and all copies of the ITAR marked documents it has received from KMC in anticipation of or during the performance of this Agreement and provide a written statement certifying destruction.

- 4.12 **Compliance with United States Foreign Corrupt Practices Act** – The DEALER agrees to comply with all applicable laws and regulations, including those dealing with the promotion of a sale of the Products offered to Customers under this Agreement, including without limitation the United States Foreign Corrupt Practices Act. DEALER represents that it is not an employee, officer, or representative of any government or any agency or other instrumentality of any government. DEALER further agrees to inform KMC of any change in such status or representation. DEALER agrees not to use all or any portion of any commission paid under this Agreement, either directly or indirectly, to make or offer a direct or indirect payment or gift to any employee, officer or representative of any government or government agency or other instrumentality under circumstances where the payment or gift would constitute an illegal payment under the laws of the United States or of the local territory.

5. Reserved

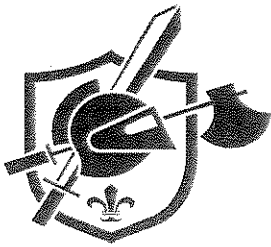
6. Prices

- 6.1 **DEALER Price** – DEALER shall pay KMC the Prices for the Products purchased under this Agreement as set forth in Exhibit A, Dealer Pricing Schedule, less the designated DEALER discount. All Prices may be amended by KMC in sole discretion from time to time.
- 6.2 **Change Notice** – All such changes shall become effective thirty (30) days after DEALER has received written notice from KMC. New Products, when released, will be sold to DEALER at KMC's then existing Price less the DEALER discount.
- 6.3 If DEALER does not purchase the quantity established in Exhibit A upon which quantity prices are based, DEALER will pay the non-discounted price for the quantity actually purchased.
- 6.4 Prices for any rescheduled deliveries may be increased by KMC in the event of an increase in KMC's prices prior to the rescheduled delivery date or causes beyond KMC's reasonable control.
- 6.5 **Excise and Sales and Use Taxes** - DEALER shall be solely responsible for payment of applicable excise, sales and use taxes, provided, however that KMC will honor sales and use tax exemption certificates if submitted by DEALER and received by KMC.

7. Purchase Orders

- 7.1 **Purchase** – DEALER may initiate purchase of the Products by submitting a Purchase Order to KMC. All Purchase Orders shall be in writing in a form acceptable to KMC. Orders are subject to KMC's acceptance and to compliance with KMC's Terms and Conditions. All Purchase Orders must be accepted by KMC. KMC reserves the right to reject any Purchase Order.
- 7.2 **Ordering Procedures** - All DEALER Purchase Orders should clearly indicate the below ordering information, failure to provide all information could delay receipt of Product. Customer/Purchase Order account number, Bill To (name and mailing address), Sold To (name and mailing address), Ship To (name and mailing address), Purchase order number and date, Requested delivery date, Backorder Policy (allowed or not), Cancellation date, Seller Product material number, Seller Product description (and color if applicable), Quantity, and Unit of Measure.

Mail to:



Knights Manufacturing Company
Attn: -----
701 Columbia Boulevard
Titusville, FL 32780

Or, if by electronic interchange, send to -----@knightarmco.com

Or, if by facsimile, send to 321-268 -1498 Attn: -----

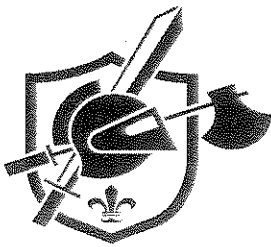
- 7.3 Conflict of Terms – In the event any Purchase Order contains terms which are in addition to or in conflict with the terms of this Agreement or the KMC's Terms or Conditions, the Terms and Conditions of the KMC shall apply.
- 7.4 Delivery of Order – DEALER agrees that acceptance of PRODUCT shall occur upon delivery of the PRODUCT by KMC to DEALER or a common carrier.
- 7.5 Rescheduling – DEALER requests to reschedule the delivery time of Product are subject to acceptance by KMC in its sole discretion.
- 7.6 Cancellation – DEALER requests to cancel an order may be accepted by KMC in its sole discretion, which acceptance may be subject to DEALER'S accepting a reasonable cancellation charge determined in writing by KMC. Orders may not be canceled or rescheduled after delivery by KMC to the carrier.
- 7.7 Order Termination – KMC reserves the right to cancel an Order in whole or in part at any time by written notice, fax, telex, e-mail, or any other electronic means if the DEALER fails to comply with any of its Terms and Conditions.

8. Payment

- 8.1 Pre-paid – Unless DEALER is approved for credit with KMC, 100% payment for all purchases shall be delivered to KMC by DEALER prior to shipment of the applicable order. Orders that are Pre-paid and the product is available for shipment, after acceptance by KMC, must be completely paid for within 3 weeks. Method of payment can be either check, Master Card or Visa (\$5,000 limit on credit cards). Credit will be granted to DEALER on a case by case basis, initiated with DEALER'S application for credit by submission on KMC's credit application form. The amount and term of credit extended to DEALER, if any, shall be at the discretion of KMC and is subject to change as KMC may deem appropriate.
- 8.2 Terms of Payment – Payment terms for DEALER, if provided open credit terms, will be established as an Addendum to this Agreement.
- 8.3 DEALER agrees that any credit balances issued will be applied within one (1) year of its issue. If not applied or requested within one (1) year any balance remaining will be subject to cancellation and KMC shall have no further liability.

9. Delivery of Order

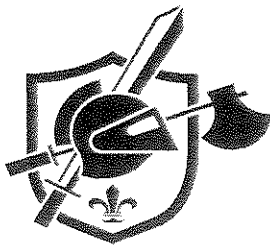
- 9.1 Confirmation – After KMC has accepted the Purchase Order, KMC will use reasonable efforts to fulfill any Orders received from DEALER and deliver as scheduled. KMC shall have no duty or obligation to deliver any Products if DEALER is in breach or default of this Agreement or any past due amount is owed by DEALER to KMC.



- 9.2 Installments – Delivery of PRODUCT may be in installments. A default in any payment by DEALER after delivery or offer of delivery of any part of an installment may at the option of KMC be deemed a default in the entire Agreement. Upon such default or breach of this Agreement by DEALER, KMC, at its option, by giving notice in writing to DEALER of its election to do so, may cancel this Agreement and such other Agreements as may exist between DEALER and KMC, and/or without notice to DEALER may defer shipment or delivery until such default or breach is cured and/or may cancel any undelivered portions of this or such other orders and/or may demand immediate payment of all outstanding bills of the DEALER and/or may delay or refuse acceptance of new Orders for the DEALER. In the event of any cancellation by KMC, KMC shall have the right to recover damages against the DEALER by reason of DEALER'S default or prior breach of this Agreement and may sell all or any part of the undelivered Product without notice to DEALER, at public or private sale, holding DEALER liable for any damage or financial loss resulting to KMC by reason of DEALER'S default or breach.
- 9.3 Delivery and Title – KMC will make reasonable efforts to initiate shipment and schedule delivery as close as possible to DEALER's requested delivery date(s). DEALER acknowledges that delivery dates provided by KMC are estimates only and that KMC will not be liable for failure to deliver on such dates. Selection of the carrier and mode of delivery will be made by KMC unless specifically designated by DEALER.
- 9.4 Shipping – All Shipments by KMC are F.O.B. shipping point (KMC's facility or warehouse) and the amount of all transportation charges from KMC's facility shall be paid to KMC by the DEALER in addition to the purchase price of the Products. Subject to KMC's right of stoppage in transit, delivery to a carrier will constitute delivery to DEALER, and risk of loss will thereupon pass to DEALER; however, title shall remain in KMC, until payment by DEALER in full for the Products and any and all other outstanding indebtedness to KMC whatsoever. KMC shall not be responsible for any loss, damage, or delay during transportation.
- 9.5 Damaged Shipments – Claims for shortages and damages must be made to carrier within ten (10) days after delivery. With no notice to carrier, DEALER understands that this implies delivery by KMC of 100% intact Product and full acceptance of all Products as listed on bill of lading. DEALER is not allowed to deduct from any invoice any shortage or damage without KMC issuance of a Credit Memo signed by an authorized KMC representative.
- 9.6 Hold Product – Products invoiced and held by KMC at DEALER'S request will be held at DEALER'S risk and expense.
- 9.7 Design Changes – KMC reserves the right to make changes in the design of the Product if such changes, in KMC's sole judgment, tend to improve the performance or otherwise benefit the Product, with no recourse by DEALER of prior sales on like item.
- 9.8 Product Discontinuance – Should KMC elect to discontinue, curtail, or limit the Product as a result of the application of any governmental statute, regulation, or order, including but not limited to any statute, regulation, or order applicable to prices, transportation, energy, pollution, or Product safety, which in KMC's judgment, will render the production or marketing of such Product economically, technologically, or commercially infeasible, KMC may, without penalty or other charge, terminate this agreement with respect to such Product upon thirty (30) days prior written notice to DEALER.

10. Reserved

11. Agreement Term



This appointment as a DEALER is for a period beginning the date hereof and ending on _____, 20____, unless terminated earlier in accordance with Article 22. Thereafter, unless either party shall give the other written notice no less than thirty (30) days prior to the expiration of the then current term, this Agreement shall automatically renew for successive periods of one year, each subject to the notice and termination rights herein contained.

12. Marketing

Promotional material and advertisements or any material to be released to the public, including photographs that utilize any trademarks of the KAC or depict any of the Products shall be approved by an authorized representative of KAC in writing prior to its public release.

13. Reserved

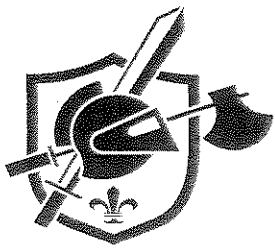
14. Reserved

15. Confidentiality

DEALER will not share any KMC CONFIDENTIAL or PROPRIETARY information, including this Agreement and the Dealer Pricing Schedule attached hereto as Exhibit A, with any outside party including end customer without expressed written permission by KMC. An additional KMC Confidentiality Agreement shall be entered into, in all instances, where disclosure with end customer is contemplated.

16. Limited Warranty and Limitation of Liabilities

KMC warrants to DEALER and end customer that Products purchased hereunder will be free of defects in material and workmanship for the warranty period of one (1) year from the date of original shipment of the Product. Any Product repaired or replaced under warranty is only warranted for the period of time remaining in the original warranty for the Product. The warranty provided herein shall extend to any Product which has proved defective and has failed through normal use, but excludes and does not cover any Product or parts thereof which has been accidentally damaged, disassembled, modified, misused, identification label removed or device unsealed, used in applications which exceed the Product specifications or ratings, neglected or improperly maintained improperly installed or otherwise abused, or is used in hazardous activities. KMC reserves the right to modify its warranty at any time, in its sole discretion. All Products, which are experimental Products, prototypes, or Products used in field trials, are not warranted. KMC makes no other warranty, express or implied, with respect to the Products. IN PARTICULAR KMC MAKES NO WARRANTY RESPECTING THE MERCHANTABILITY OF THE PRODUCTS OR THEIR SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. Upon KMC's confirmation of a defective Product, KMC's liability is limited (at KMC's election) to (1) refund of DEALER'S purchase price for such Products (without interest), (2) repair of such Products, or (3) replacement of such Products; provided, however, that such Products must be returned to KMC, along with acceptable evidence of purchase, within one (1) year from the date of delivery, transportation charges prepaid. DEALER must claim under the warranty in writing not later than thirty (30) days after the claimed defect is discovered. DEALER SHALL NOT IN ANY EVENT BE ENTITLED TO, AND KMC SHALL NOT BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY NATURE INCLUDING, WITHOUT BEING LIMITED TO, LOSS OF PROFIT, PROMOTIONAL OR MANUFACTURING EXPENSES, OVERHEAD, INJURY TO REPUTATION, OR LOSS OF DEALERS. DEALER'S RECOVERY FROM KMC FOR ANY CLAIM SHALL NOT EXCEED DEALER'S PURCHASE PRICE FOR THE PRODUCTS IRRESPECTIVE OF THE NATURE OF THE CLAIM WHETHER IN CONTRACT, TORT, WARRANTY, OR OTHERWISE.



17. Indemnification

DEALER shall be responsible for inspecting and testing all Products delivered to it hereunder upon receipt and before use by DEALER. DEALER assumes all responsibility and liability for injury or damage resulting from its handling, possession, use, or sale of Products supplied hereunder including, but not limited to any injury or damages resulting from the use of Product in DEALER'S business operations or in combination with other Products, and agrees to defend and indemnify KMC from and against all claims, losses, liabilities, and expenses (including attorney's fees and other litigation or settlement costs) arising out of such handling, possession, use, or sale.

18. Product Returns

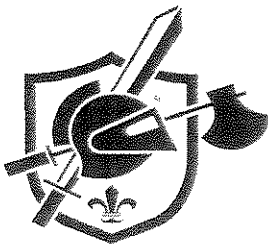
No return of Products will be accepted by KMC without a return material authorization number (RMA No.), which will be issued by KMC Customer Service Department at KMC's sole discretion. The issuance of an RMA No. does not indicate or guarantee that a credit will be issued to DEALER or the acceptance of a DEALER debit memo. Products must be shipped transportation charges prepaid in original shipping cartons and must be complete with all packaging materials and data specification sheets; Product identification and serial number labels must be intact and legible. If returned Products are claimed to be defective, a complete written description of the nature of the defect must accompany all returned Products. All items not eligible for return as determined by KMC's sole discretion will be returned to DEALER, transportation collect. KMC shall be allowed a reasonable period to investigate a defective Product claim and shall be given access to DEALER'S relevant records and data for this purpose. Non-defective Products accepted for credit or exchange may be subject to a reasonable restocking fee and service charge when the error is not KMC's; acceptance of such return will be at the sole discretion of KMC. Products returned for credit must be returned freight prepaid in a condition identical to the original shipment by KMC.

19. Disclaimer of Partnership or Agency

The relationship between KMC and DEALER under this Agreement is solely that of independent contractors. Each of the parties is in no way the legal representative or agent of the other party for any purpose, shall not in any way hold themselves out as such, and shall have no power to assume or create, in writing or otherwise, any obligation or responsibility of any kind, express or implied, in the name of or on behalf of the other party.

20. Use of KAC Trademarks and SERVICE Marks

- 20.1 Use – During the term of this Agreement, DEALER shall have a limited license to use the Trademarks in connection with DEALER'S promotion of the Products, but only in strict compliance with such license and the policies, instructions, and guidelines of KAC. This compliance shall include proper display of trademark notices and warnings with each use of trademark. Any use of such Trademarks shall be subject to prior approval of the KAC.
- 20.2 Title – DEALER acknowledges the exclusive right, title, and interest of KAC in and to the Trademarks.
- 20.3 Non-Conveyance of any Trademark right to DEALER – Nothing contained in this Agreement shall be construed as conveying to DEALER any right, title, or interest in or to any of the Trademarks other than an express right to a permissive use thereof in connection with the promotion of the Products.
- 20.4 Help Protect KAC'S Trademarks – DEALER shall cooperate to the fullest extent possible with KAC or its nominee to take such actions as KAC in its sole discretion may consider necessary to protect any of the Trademarks.



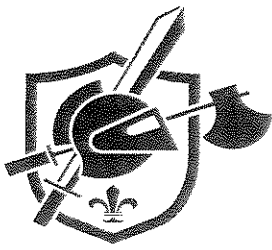
- 20.5 Infringement – DEALER shall fully cooperate with KAC in maintaining and defending the ownership and validity of each of the Trademarks against infringement and claims of infringement, DEALER will promptly notify KAC of (i) any infringement or unauthorized use of any Trademark by any third party, or (ii) any assertion by any third party that DEALER'S use of any Trademark constitutes infringement. KAC shall not be obligated to initiate or defend legal action with respect to any Trademark, and DEALER shall not initiate or defend any such action itself without KAC's prior written consent; and DEALER hereby agrees and warrants that DEALER will not incorporate all or any portion of the Trademarks into DEALER'S corporate name or trade names.

21. Force Majeure

KMC will not be liable for delays in delivery or for failure to perform its obligations due to causes beyond its reasonable control, including, but not limited to, Force Majeure, acts of God, acts of end customer, acts of DEALER, strikes, labor disputes, epidemics, floods, quarantine restrictions, civil commotion, war, hostilities, insurrection, riot; rules, laws, orders, actions, seizures, requisitions, priorities, preferences, instructions, regulations, restrictions, or actions of any government or any agency or subdivision thereof; casualties, fires, accidents, embargoes, quotas, transportation delays; shortages of labor, materials, fuel, power, or transportation facilities; detention of Product by customs authorities, sinking of vessels, loss of Product in public or private warehouses, or inability to procure or delay in procuring materials, goods, labor, or manufacturing facilities from KMC's usual sources or in its usual manner. In any such event KMC shall have the right to, at its election to and without liability to DEALER or end customer, to (a) cancel all or any portion of this Agreement, or (b) perform this Agreement as so restricted or modified, and DEALER or end customer shall accept such restricted or modified performance, or (c) perform this Agreement within a reasonable time after the cause for non-performance or delay has terminated. Delay in delivery of any installment shall not relieve DEALER or end customer of its obligation to accept subsequent deliveries or pay for prior deliveries.

22. Termination

- 22.1 With Notice – Either DEALER or KMC may at its option terminate this Agreement hereunder by giving a thirty (30) day advance written notification to the other party. Notice is effective upon the date such notice is deposited in the U.S. Mail, certified mail, return receipt requested, properly addressed to the last known address provided by the party in writing. If no reply is received, termination occurs anyway (if the receiving party refuses to answer or otherwise fails to reply within thirty (30) days) in accordance with this section.
- 22.2 Material Breach – KMC shall have the right to immediately terminate this Agreement without prior notice or penalty if DEALER, its employees, or agents shall materially breach this Agreement.
- 22.3 Effect of Termination – Upon termination of the Agreement for whatever reason, DEALER waives the applicability and protection of all laws, regardless of jurisdiction, giving to DEALER any rights of indemnity or other compensation in lieu of notice or otherwise arising upon termination of this Agreement or any other relationship between KMC and DEALER. KMC will not be required to indemnify or pay any amount to DEALER, whether as compensation, balancing, relief, or otherwise, as a result of the termination of this Agreement.
- 22.4 Confidential Information – Upon the expiration or termination of this Agreement for whatever reason, DEALER shall promptly return to KMC all CONFIDENTIAL or PROPRIETARY information previously furnished to DEALER, together with all copies of said information and shall not retain any copies thereafter. This shall include all data or information contained in any electronic media.
- 22.5 Marketing Material and Trademark – Upon the expiration or termination of this Agreement for whatever reason, DEALER will immediately cease all use of the Trademarks and deliver to KMC or



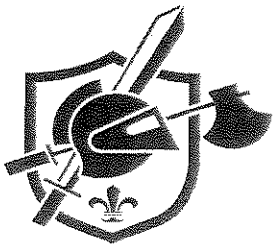
destroy all materials bearing the Trademarks, including all advertising and promotional materials. DEALER shall also take all actions necessary to transfer and assign to KMC or its nominee any right, title, or interest in or to any of the Trademarks which DEALER may have acquired in any manner as a result of its activities under this Agreement.

23. Entire Agreement

This Agreement, the schedules hereto attached and the documents referenced herein, supersede any and all prior agreements, discussions, and negotiations between the DEALER and KMC. Neither of the parties shall be bound by any terms, conditions, definitions, waivers, warranties, or representations with respect to the subject matter of this Agreement, other than as expressly provided in this Agreement or duty set forth on or subsequent to the date hereof in writing signed by a proper and duly authorized representative of whichever of the parties is to be bound thereby.

24. General

- 24.1 Modification – This Agreement may not be modified or cancelled without KMC's written agreement. The sale of Products hereunder will be governed by this Agreement and the KMC's Terms and Conditions, notwithstanding contrary or additional terms and conditions in any purchase order, planning schedule, acknowledgement, confirmation, or any other form or document issued by either party affecting the purchase and/or sale of Products.
- 24.2 Assignment – No rights, duties, agreements, or obligations hereunder may be assigned or transferred by either Party without the prior written consent of the other. The obligations, rights, terms, and conditions hereof will be binding upon and inure to the benefit of the Parties hereto and their successors and assigns.
- 24.3 Waiver – The waiver of any breach of any term, condition, or covenant hereof or default under any provision hereof will not be deemed to constitute a waiver of any other term, condition, or covenant contained herein or of any subsequent or future breach or default of any kind or nature of a term, condition, or covenant that may have been waived.
- 24.4 Severability – If any provision hereof is declared invalid by a court of competent jurisdiction, such provision shall be ineffective only to the extent of such invalidity, so that the remainder of that provision and all remaining provisions of this Agreement shall be valid and enforceable to the fullest extent permitted by applicable law.
- 24.5 Applicable Law and Venue – This Agreement shall be governed by the laws of the State of Florida without regard to its conflicts of law provisions. In the event of a dispute or lawsuit arising from, or related in any way to, this Agreement, the Parties agree to submit to the exclusive jurisdiction of the courts of the 18th Judicial Circuit, in and for Brevard County, Florida.
- 24.6 Notices – All notices, requests, consents, and other communications relating to this Agreement shall be in writing and shall be mailed by certified or registered mail, return receipt requested to the addresses of each party set forth at the beginning of this Agreement, or at such other address as may have been furnished in writing.
- 24.7 Delay of Failure to Enforce – No delay or failure of either party to enforce the provisions and no partial or single exercise thereof this Agreement shall be construed as a waiver of such provisions or the right of such party to enforce them. No consent to a breach of any express or implied term of this Agreement shall constitute consent to any prior or subsequent breach.



The parties agree to the terms and conditions set forth above in this Dealer Agreement.

By: _____ By: _____
DEALER Authorized Representative KAC Authorized Representative
(signature) (signature)

Name (printed) Name (printed)

DEALER Company Name Knight's Manufacturing Company
701 Columbia Boulevard

DEALER Street Address Titusville, FL 32780

DEALER City, State, Zip, Country

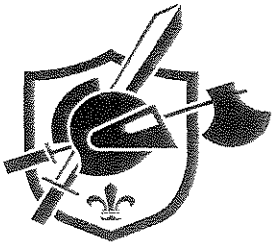


Exhibit A – Dealer Pricing Schedule

<u>Product</u>	<u>Discount off List Price</u>	<u>Minimum Order</u>
Weapons	20%	\$10,000 (initial order)
Parts & Accessories	20%	\$ 2,500 (initial order)
All additional orders		\$ 500

DEALER Initials _____ Date _____

KAC Initials _____ Date _____