



This Dealer Agreement is between Patagonia Provisions, Inc., a California corporation ("Patagonia"), whose address is 1750 Bridgeway A201, Sausalito, California 94965, and _____, ("Dealer") whose address is _____, dated as indicated below. Dealer has submitted a Dealer Application ("Application") to Patagonia, attached as Exhibit A and incorporated by reference, requesting Patagonia to accept Dealer as a seller of Patagonia products and other products Patagonia distributes on the terms and conditions below. In consideration of the mutual promises contained in this Agreement, Dealer and Patagonia agree as follows:

1. Grant Patagonia grants to Dealer the right to sell Patagonia food products and dry goods (the "Products") only at a physical retail location, i.e. to consumers, and only from retail selling space approved in writing by Patagonia. Such limitation is designed to serve Patagonia's need to effect and preserve its sales and merchandising programs, which are themselves designed, among other things, to promote, maintain and enhance the image of the Products.
 - c. Warranties/Instructions. Dealer agrees to deliver to its customers all Product specifications, instructions and warnings which Patagonia specifies, including those supplied with the Products. Dealer agrees not to make any representation or warranty concerning Patagonia or its Products other than as stated in such materials.
 - d. Product Expiration. Dealer agrees that it will not display, allow sampling of, or sell Product after the "Best By" dates set forth on the Products. Patagonia will use its commercially reasonable efforts to provide Dealer with inventory with the longest possible shelf life at the time of Product shipment. All Product that has not been sold by the "Best By" date set forth thereon will be destroyed by Dealer.
 - e. Product Recalls. Dealer agrees to use its best efforts to support Patagonia in connection with any Product recall, as instructed by Patagonia. Documented expenses incurred by Dealer that are directly related to Dealer's support of a Product recall (e.g. shipping costs for the return of recalled Product) will be reimbursed by Patagonia. Patagonia will replace recalled Product.
 - f. Packaging & Recipe Change. Patagonia will not accept Product returns on the basis of any change made by Patagonia to Product packaging or a Product recipe.
2. Terms This Agreement will commence on the date accepted below and, absent prior termination, will continue in force for one (1) year and will automatically renew for an additional one (1) year terms, unless otherwise terminated as provided in this Agreement. Either party may terminate this Agreement at any time by written notice of termination delivered to the other party at least 30 days prior to the date designated for such termination. Termination of the Agreement will not prejudice any rights or remedies which either party may otherwise have against the other.
3. Dealer Duties
 - a. Facilities, Sales. Dealer will use its best efforts to promote demand for and sale of the Products and will use prudent business judgment to maintain adequate facilities and sales personnel for the purpose. Dealer will maintain a place of business, display room, and service departments satisfactory to Patagonia at all times, and Patagonia will have the right at all reasonable times during business hours to inspect the place of business and display room.
 - b. Display, Merchandising. Dealer agrees to comply with all of Patagonia's Product guidelines, standards and requirements, including but not limited to, those relating to (1) Product sales, promotion, display, and merchandising, and (2) establishing, maintaining or promoting Product image. Patagonia currently makes available to Dealer reasonable quantities of promotional and advertising material to aid in the sales and merchandising of the Products, with the goal, among other things, of promoting, enhancing, and maintaining the Image of the Products.
4. Payment Terms: Collections, Costs, and Guarantees. Dealer agrees to pay Patagonia cash for any Products ordered unless Patagonia, in accordance with Patagonia's credit system, and in its exclusive discretion, elects to extend credit to Dealer on open account, Dealer agrees to pay all invoiced prices

according to the terms stated therein, and agrees that failure to pay on a timely basis entitles Patagonia to add a service charge of 1.5% to late pay or past due invoices, billed at the end of each month per month. This is an administrative charge calculated to compensate Patagonia for time and expense of collection, the actual costs of which are difficult and impracticable to establish in advance. Dealer agrees to comply on a continuing basis, with all of Patagonia's credit terms as reflected from time to time in Patagonia's shipping, sales and credit documents. Dealer further agrees to supply Patagonia with such current financial information as Patagonia may request from time to time, in form and substance acceptable to Patagonia in all respects. Patagonia will review such documents prior to filling each order Dealer submits, and will fill orders only if satisfied of complete compliance with such credit terms. Dealer agrees that it will pay all costs, including reasonable attorney's fees and costs, and courts costs, incurred in any collection proceeding initiated as a result of Dealer's default on its obligation to make payments to Patagonia when due, or in connection with enforcement of any other terms of this Agreement, including trademark enforcement, whether or not suit is filed. Dealer will, if any present endorser, surety or guarantor or dealer dies or initiates a proceeding in bankruptcy or receivership or any like transaction, at Patagonia's option, pay all of Dealer's then outstanding indebtedness or substitute an endorser, surety or guarantor acceptable to Patagonia.

5. Orders. Patagonia will use commercially reasonable efforts: (a) to fill all orders which it accepts from Dealer, as promptly as practicable, subject, however, to delays caused by Government orders or shortages, strikes, riots, fires, or any other causes beyond Patagonia's control; and (b) to advise Dealer in advance of any inability to make full and timely delivery of any orders for Products which Dealer previously ordered and Patagonia accepted. As detailed below, Patagonia is not responsible for consequential or other damages and Dealer's sole remedy in the event Patagonia is unable to fill any accepted order within a reasonable time shall be to cancel the order upon written notice to Patagonia which notice must be received prior to shipment of the Products subject to the order.
6. Shipping. All shipments are F.O.B. Ferndale, WA. Dealer is responsible for payment of all freight charges and for payment for insuring the goods from Ferndale, WA to final destination. Patagonia may, in its discretion, prepay such charges and add them to invoices it submits to Dealer. Whenever Patagonia delivers or causes to be delivered to a common carrier any goods ordered by Dealer, whether the particular carrier is designated in the Dealer's shipping or routing instruction or not, Patagonia is not responsible for any delays or damages in shipments and the common carrier to which Patagonia delivers goods shipped to Dealer is declared to be the

agent of Dealer and not of Patagonia. Patagonia is entitled to make partial shipments of an order as such become available for shipments. Payment is due from Dealer with respect to such partial shipment as set forth in Paragraph 4 above. Partial shipment of an order does not relieve Dealer of its obligations to accept future shipments in satisfaction of such order.

7. Prices. Initial prices of Products are those Patagonia dealer prices in effect on the acceptance date indicated below; errors are subject to correction. All prices are subject to change without prior notice to Dealer.
8. Returns. Unless Patagonia authorizes in writing the return of any Products, Patagonia is not obligated to accept returned Products from Dealer, nor to make any exchange, nor to credit Dealer for the same. Dealer agrees not to make any claim against Patagonia for any damaged or defective Products, or parts of same, except in the case of damage of defective Products, or parts of same, except in the case of damage or defect directly attributable to Patagonia. No returns or exchanges will be accepted by Patagonia for any Products past their "Best By" dates. Any authorized returns of Product will be exchanged by Patagonia with replacement Product only, no refunds.
9. Products (Changes, Warranties). Patagonia may change the design or specifications of any Product(s) at any time without notice and without obligation to make the same or any similar change upon any Products previously purchased by or shipped to Dealer. In addition, Patagonia may discontinue any Products at any time in its exclusive discretion. Except as otherwise specified herein, Dealer agrees that there are no other representation or warranties of any nature, direct or indirect express or implied, as to the suitability, durability, fitness for use, merchantability, condition or quality of the Products supplied by Patagonia. Dealer specifically waives all right to make claims against Patagonia and Patagonia shall not be liable to Dealer or its assignees for any loss, damages or expenses of any kind or nature, including but not limited to consequential, incidental, special or exemplary damages, caused directly or indirectly by Products supplied by Patagonia or their use or failure, or for any loss of business or damage whatsoever and howsoever caused, even if Patagonia has been apprised of the likelihood of such damage occurring. In no event shall Patagonia's liability with respect to any order exceed the amount actually paid by Dealer with respect to such order.
10. Trademarks. Dealer acknowledges and agrees that Patagonia is the exclusive owner and/or licensed user of various trademarks and logos in connection with the Products ("Trademarks" and "Logos"). Dealer is granted the nonexclusive and revocable privilege of using the

Trademarks and Logos in connection with the Products in any advertising during the term of this Agreement, but only for the purpose of identifying Products in such ad. Dealer agrees to comply with Patagonia's trademark guidelines, as modified from time to time, and not to utilize any of the Trademarks or Logos in a disparaging manner or in any manner which would tend to mislead the public or place such Trademarks or Logos in a false light. Notwithstanding the foregoing, upon Patagonia's request or if this Agreement is terminated, Dealer will discontinue use of the Trademarks and Logos in any advertising and thereafter will not use the Trademarks or Logos directly or indirectly in connection with Dealer's business nor use any other name, title or expression so nearly resembling it as would be likely to lead to confusion or uncertainty or to deceive the public. At Patagonia's request Dealer will provide copies of any and all of Dealer's ads utilizing the Trademarks or Logos. Patagonia reserves the right to require Dealer to seek and obtain Patagonia's approval prior to any use of any the Trademarks or Logos.

11. Defaults, Rights/Remedies. Dealer hereby agrees that if any breach of any of its obligations under this Agreement occur, Patagonia has the right, without limiting any of its other rights or remedies, to terminate this Agreement by written notice 10 days prior to the designated terminate date. Without limiting the foregoing, Patagonia may, at its option, terminate this Agreement immediately, without prior notice, if any of the following occurs: (a) Dealer becomes insolvent, files a voluntary petition in bankruptcy, or an involuntary petition in bankruptcy is filed against Dealer and is not vacated within 30 days from date of filing; appointment of a receiver or trustee for Dealer which appointment is not vacated within 30 days from date of filing; or Dealer executed an assignment for the benefit of creditors or takes or attempts to take the benefit of any bankruptcy or insolvency law similar legislation; (b) Dealer assigns or attempts to assign any interest in this Agreement without Patagonia's written consent, and any such attempted assignment is hereby deemed void; (c) Dealer fails to adhere to its obligations pursuant to Paragraphs 1, 3 and/or 10 above; (d) Dealer fails for any reason to function as a dealer in the ordinary course of business, transfers locations or transfers products to unauthorized locations, or fails for any reason to keep its place of business open during the customary hours of trade for a period of 10 days or more without Patagonia's prior written approval; (e) Dealer is convicted in a court of competent jurisdiction for any violation of law tending, in Patagonia's opinion to adversely affect the operation or business of Dealers or the good name, good will or reputation of Patagonia or the Products; (f) Dealer fails to comply with Patagonia's credit terms or becomes unable to pay for orders as payment is due; (g) Any change in ownership or control of Dealer occurs; (h) Dealer, or any one of its principals, dies or becomes incapacitated.

Dealer agrees to advise Patagonia immediately in writing if any of the above specified events occur. Failure to advise Patagonia of such events shall be grounds for termination.

12. Representations and Warranties. Dealer represents and warrants to Patagonia that: (i) Dealer has the full right, power and authority to enter into this Agreement and to perform the acts required of it hereunder; (ii) Dealer's execution of this Agreement and performance of its obligations and duties hereunder, do not and will not violate any law, rule or regulation or any agreement to which Dealer is a party or by which it is otherwise bound; and (iii) when executed and delivered by Dealer, this Agreement will constitute the legal, valid and binding obligation of such party, enforceable against it in accordance with its terms.

13. Indemnification. Dealer agrees to indemnify, defend and hold Patagonia and its employees, agents and contractors (each, a "Patagonia Indemnitee") harmless from any losses, liabilities, expenses or costs (collectively, "Losses") arising from claims, investigations, actions or causes of action brought by a third party (collectively, "Claims"), to the extent such Claims result from: (i) the negligence or misconduct of Dealer in connection with the sale of the Products; or (ii) a breach of this Agreement by Dealer.

14. Taxes. Dealer agrees it is solely responsible for any sales, excise, use, property or other tax, tariff, duty or assessment levied by the United States or any other domestic or foreign governmental authority (including without limitation any state, municipality or country) arising out of or relating to any transactions under this Agreement, other than any tax based upon Patagonia's net income, and Dealer will pay to or reimburse Patagonia is at any time obligated to pay or collect. Dealer hereby warrants and represents that it has, and will maintain, a valid seller's permit. Dealer is responsible for providing Patagonia with copies of resale certificates or other documents evidencing to Patagonia's reasonable satisfaction any exemption which Dealer claims from any tax, tariff, duty or assessment which Patagonia reasonable determines it would have to pay or collect and which arises out of or relates to any of the transactions contemplated under this Agreement in the absence of such an exemption.

15. Miscellaneous. This Agreement becomes binding only when accepted and executed by Patagonia. Dealer and Patagonia agree that the laws of the State of California govern this Agreement without reference to conflicts of laws rules. Dealer further agrees that, at Patagonia's option, any dispute arising under or related to this Agreement may be litigated in the appropriate courts located in Ventura or Los Angeles Counties or in the United States District Court for the Central District of California and Dealer specifically consents to personal

jurisdiction and the venue of such courts in any such litigation in any other appropriate forum. This Agreement together with Patagonia's then current purchase order form and written marketing policy constitutes the entire and final understanding between the parties, and all prior arrangements are replaced hereby. Any inconsistent terms and conditions in Dealer's standard forms are without any force and effect.

16. Power and Authority: Information. The individual(s) signing this Agreement in the space provided below on behalf of Dealer and the dealership have been properly authorized by the dealership. Dealer will upon demand provide documentation of any information supplied to Patagonia and will promptly notify Patagonia, in writing, of any changes in any information supplied on the Application and of any change in Dealer's residence, chief place of business or mailing address.

17. Certification. The parties hereto certify that they have read all portions of the Agreement. No amendment to this Agreement will be valid unless it is in writing and signed by all parties. ALL ORDERS RECEIVED ARE SUBJECT TO APPROVAL BY PATAGONIA AND THE PROVISIONS OF PARAGRAPHS 5 AND 6 ABOVE CONTROL PATAGONIA'S RIGHTS WITH RESPECT TO THE PARTIAL FILLING OF ORDERS. ORDERS WILL NOT BE HONORED BY PATAGONIA UNLESS AND UNTIL ACCEPTED.

Executed on _____, 20__.

DEALER

By: _____
Name: _____
Its: _____

PATAGONIA PROVISIONS, INC.

By: _____
Name: _____
Its: _____