

American Flag & Banner Manufacturing Company

5220 Lardon Rd. NE

Salem, OR 97305

Voice: 1-503-585-1179 – Fax: 1-503-585-4294 – e-mail: dealer@allflags.com

Dealer Program:

BASIC OPERATING AGREEMENT

1. REGIONS / TERRITORIES

- a. United States & its' Territories.
- b. Sales development is limited to the above regions or other areas designated by American Flag & Banner Manufacturing Company.
- c. If foreign markets are approached it is the responsibility of the Dealer to investigate; duties and tariffs, licensing and registration, and any other legalities that may restrict the use or sale of American Flag & Banner Manufacturing Company products. American Flag & Banner Manufacturing Company will assist whenever possible.

2. DEALER / SALES STAFF LEGAL QUALIFICATIONS

- a. Dealer must be a legal business in accordance with the local laws of their country, and any other area it operates in.
- b. If Dealer will provide installation services IT should be bonded, licensed and carry liability insurance. American Flag & Banner Manufacturing Company cannot be held responsible for anything other than replacement of a defective component.
- c. Independent Dealers who conduct in-home sales participate in network marketing or multi-level marketing must be licensed in accordance with the local consumer protection laws of their respective areas.

3. TRAINING

- a. Dealers are encouraged to learn about the products American Flag & Banner Manufacturing Company offers for sale. American Flag & Banner Manufacturing Company provides direct access to general information by dealer email notification.

4. PROMOTION / ADVERTISING

a. American Flag & Banner Manufacturing Company product brochures will be available at a nominal cost to the Dealer as they are published. Advertising or promotional materials produced and or distributed by the Dealer must not be presented in a manner that is “confusing” to the user in regards to country of origin, specifications, and other factors specific to American Flag & Banner Company products.

b. Assistance with the development of custom promotional and advertising material may be requested by the Dealer. American Flag & Banner Manufacturing Company designed material/literature remains the copyrighted property of American Flag & Banner Manufacturing Company, and may be utilized by American Flag & Banner Manufacturing Company to assist other dealers.

c. Product performance claims may be advertised providing they are exact duplications of test results that have been released by American Flag & Banner Manufacturing Company. Wording must ensure that a consumer will not make assumptions of performance beyond the capabilities stated.

d. American Flag & Banner Manufacturing Company may review articles that are written by Dealer for local or national publications to insure accuracy of content.

e. Dealer is encouraged to forward local area news of product concerns, technical information, sales techniques etc. to American Flag & Banner Manufacturing Company. The "What's New" area of our web site will be used to promote new dealer provided information.

5. SHIPPING / PAYMENT

a. Shipping method will be at the choice of Dealer whenever possible. The main North American shipping location is: Salem, Oregon.

b. Payment terms are prepaid. Dealer agrees to give to American Flag & Banner Manufacturing Company a valid major credit card acceptable to American Flag & Banner Manufacturing Company for the purpose of sales and applicable freight. It is the responsibility of the Dealer to obtain all costs from their customer. Failure to maintain a valid credit card will cause a delay in processing orders.

6. INVENTORY

a. Dealer is encouraged to carry a comprehensive/stock inventory. American Flag & Banner Manufacturing Company will “drop ship” for the Dealer but a service charge may apply.

b. Rush orders are subject to confirmation.

7. INSTALLATIONS

- a. Installation costs are the responsibility of Dealer.
- b. Dealer staff may not perform installation of any product, which requires additions or modifications to the existing product/system in a home or business unless they have permission from American Flag & Banner Manufacturing Company.
- c. End Users may install any of these products/components themselves. There are no laws, which inhibit self-installation, and although our products are designed for ease of self-installation any warranty and liability ramifications must be explained to the consumer. American Flag & Banner Manufacturing Company cannot be held responsible for any damage caused to a home or business during or after installation.

8. DEALING WITH COMPETITION

- a. It is the responsibility of the Dealer to become familiar with their competition and where American Flag & Banner Manufacturing Company products fit into the local market. Dealer should refrain from using negative comparison sales techniques and are cautioned to ensure they compare "apples to apples and oranges to oranges" when discussing features.
- b. Competitors information may be used in direct comparison during consumer advertising but it must be 100% accurate. American Flag & Banner Manufacturing Company product performance is so strong that it does not require misrepresentation of any competitor to remain #1 in the world.
- c. Competitor information may also be used for sales training, to answer specific comparison questions from a consumer, or to explain different types of product technologies.
- d. Dealers are encouraged to forward copies of all competitor literature to American Flag & Banner Manufacturing Company so that we may remain as informed as possible.

9. WARRANTY

- a. Warranty and conditions will be published on our web sites. Local country/state/province laws may place conditions on the sale or expressed warranty that may have a liability on the local Dealer. It is the Dealer responsibility to have our "Expressed Warranty" reviewed for compliance with local laws.

10. PRODUCTS/PRICING

- a. Dealer discounts are published as “Dealer Price List” and subject to change without notice.
- b. A price list will be available upon request to the Dealer before their first order.
- c. Initial order will be at the published retail price.

In addition to the above, please find the following items to be as part of the “Dealer Agreement”.

1. All applicable product Trade Marks, Registrations, Patents, and Trade Dress will be associated with each American Flag & Banner Manufacturing Company product.
2. Dealer performance is subject to a quarterly reviews. The review would determine the ability of Dealer to market and sell a sufficient amount of products to justify the continece of the agreement.
3. Nothing in this agreement or implied by American Flag & Banner Manufacturing Company will limit any sales by American Flag & Banner Manufacturing Company.
4. Dealer will market and display American Flag & Banner Manufacturing Company products in such a way as to not “confuse” the public, as to which product is which.
5. All materials and advertising would bear all of the respective trademarks, patent notifications, and trade dress of American Flag & Banner Manufacturing Company.

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Sincerely Yours,
Customer Service
American Flag & Banner Manufacturing Company

American Flag & Banner Manufacturing Company

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Dealer Program Agreement Form:

** Please print clearly all information and use a valid email address.*

Company Name: _____.

Principal Contact: _____.

Billing Address 1 _____.

Billing Address 2 _____.

City: _____, State: _____, Zip: _____.

Business Phone: _____.

Business Fax: _____.

Email: _____.

** Please list information as it appears on your credit card. (You may call in this information)*

Credit Card Type: _____.

_____, Exp: ____/____.

Card Holder Name: _____.

Address 1 _____.

Address 2 _____.

City: _____, State: _____, Zip: _____.

Phone: _____.

I have read, and understand the attached agreement. I agree to be bound by the terms and conditions contained therein. I understand my credit card will be kept on file, and used for purchases made with Action Flags Manufacturing Company.

Signature: _____.

Date: _____.