

LEHMAN TRIKES USA
AUTHORIZED DEALER AGREEMENT

Products for Honda[®] Motorcycles

THIS AGREEMENT made this ____ day of _____, 201____, by exchange through the mails between Spearfish, South Dakota and _____.

BETWEEN:

CHAMPION INVESTMENTS, Inc. d.b.a. LEHMAN TRIKES USA, pursuant to the laws of the State of South Dakota, and having offices at
Spearfish, South Dakota
(hereinafter referred to as “Lehman” or “Lehman Trikes”)

and

Full Dealer Name:_____

Address: _____

(hereinafter referred to as the “Dealer”)

1 WHEREAS:

- 1.1 Lehman designs, engineers, manufactures, and assembles kits and accessories that are installed on conventional two-wheeled motorcycles (hereafter “trike”), and distributes those kits to dealers across the country, and purchases conventional two-wheeled motorcycles from manufacturers, dealers and distributors which it converts to trikes and distributes to dealers across the country.
- 1.2 The Dealer is engaged in the business of selling motorcycles, parts and accessories and desires to act as a Dealer of trikes distributed by Lehman.
- 1.3 Lehman is desirous of supplying Product(s) to the Dealer for resale.

NOW THEREFORE in consideration of the mutual covenants contained herein, Lehman and the Dealer hereby agree as follows:

2 RELATIONSHIP

- 2.1 Lehman hereby appoints the Dealer as an Authorized Dealer for the sale and service of the Product(s) as defined in Section 2.2 and the Dealer accepts such appointment.
- 2.2 Dealer is authorized for the sale and service of Lehman branded products for Honda™ motorcycles.

Lehman branded products for Honda™ motorcycles is the only line/make dealer is authorized to sell pursuant to this agreement.
- 2.3 The term of this Agreement shall commence on the date first shown above and expire on the next following May 31. If either Lehman or Dealer decides that it does not want to renew the Agreement for the following year, it will provide at least 30 days notice prior to May 31. If notice of non-renewal is not provided by either party, the Agreement shall automatically renew for successive one-year periods.
- 2.4 Dealer’s Authorized Retail Location is _____. You may not sell Lehman products at any location other than the Authorized Retail Location without Lehman’s consent.
- 2.5 Dealer’s area of primary responsibility shall be a 15-mile radius. Dealer agrees to concentrate Dealer’s sales efforts within its area of primary responsibility and understands that its sales performance under this Agreement will be evaluated based upon its sales to purchasers located in this area of primary responsibility. In no way does the area of primary responsibility constitute an exclusive territory, nor shall it constitute a “relevant market area” under any applicable statute. Lehman expressly reserves the right to sell and distribute all trikes and accessories, through all other alternate channels of distribution.
- 2.6 Subject to the terms and conditions in the Dealer Policy and 2.2 the term Product(s) as used herein are those Product(s) listed in the current Lehman Price list(s) and may

include complete machines, kits, accessories, attachments, optional equipment and repair parts. Lehman reserves in its sole discretion the right to make amendments to, additions to, and elimination from, such Price list(s). Changes will be announced in advance to all Dealers by issuance of revisions to the Price list(s). Lehman reserves in its sole discretion the right to modify any Products.

- 2.7 The Dealer Policy (Schedule A) is expressly incorporated into this agreement and is subject to periodic review and revision at Lehman's discretion.
- 2.8 The Dealer shall not be permitted to assign this Agreement or undergo any ownership change without the prior written consent of Lehman. Dealer will provide information requested by Lehman concerning the proposed assignee or owner. Lehman has the right to approve or disapprove any assignment or change of ownership in the exercise of its sole discretion. This Agreement may be assigned by Lehman without Dealer's consent.
- 2.9 _____ shall be the primary operator of this dealership. The primary operator is responsible for the day-to-day operation of the dealership. If Dealer wishes to change its primary operator, it shall notify Lehman and obtain Lehman's approval, which shall not be unreasonably withheld.
- 2.10 The Dealer shall not sell any Product(s):
 - 2.10.1 In the form of an uninstalled trike conversion kit;
 - 2.10.2 Outside of the Dealer's own country of origin without approval of Lehman Trikes; or
 - 2.10.3 That is floorplanned or otherwise unpaid to Lehman Trikes.
- 2.11 The Dealer agrees to maintain a full time place of business for the sale, service, display and storage of the Product(s), at its Authorized Retail Location.

3 SUPPLY, PRICES AND TERMS

- 3.1 Upon receipt of the Dealer's purchase order or a Lehman Sales Order for Product(s), Lehman will make all commercially reasonable efforts to supply to the Dealer the Product(s) ordered and the Dealer agrees to accept the Product(s) on the terms in effect at the date of shipment.
- 3.2 Any Product(s) sold by Lehman to Dealer will, unless otherwise agreed, be by cash payment in advance.
- 3.3 If at the date of shipment the prices, terms, conditions or design of the Product(s) of the type ordered are different from those set forth in the most recent equipment list or notice sent by Lehman to the Dealer, the Dealer may cancel the order by giving notice of cancellation to Lehman prior to the shipping of Product(s) to the Dealer. Failure to give such notice shall constitute acceptance by the Dealer of the Product(s) upon the terms, conditions and designs prevailing at the time of shipment and as set out in the invoice issued by Lehman. Except as provided herein, Dealer may not cancel orders once

accepted by Lehman, and cancelling an accepted order will constitute a material breach of the dealer agreement.

- 3.4 Lehman shall use all commercially reasonable efforts to fill the orders of the Dealers and shall not be liable for any loss, damage, delay or inability to fill such order.
- 3.5 In the event of shortage of Product(s) ordered or shortage of materials for the making of such Product(s), Lehman shall have the complete discretion to allocate available supplies and any such decision shall involve the commercially reasonable effort by Lehman to supply Product(s) ordered by the Dealer.
- 3.6 Lehman shall have the right to fulfill orders in installments and it is agreed that the Dealer's obligations shall relate to each installment separately.
- 3.7 Lehman shall use its best efforts to ship all orders for Product(s) to Dealer, Freight on Board, Spearfish, South Dakota or such other locations as may be designated from time to time by Lehman, plus scheduled advance charges, with reasonable promptness. Lehman shall not be liable for any damage, consequential or otherwise, to properly packaged Product(s) which occurs while in transit, or as a result of a failure to fill orders, delays in delivery or any error in the filling of orders. Shipping dates quoted by Lehman are approximated.

4 DELIVERY

- 4.1 The Dealer will accept delivery of Product(s) at the point of shipment as designated by Lehman. Unless the Dealer furnishes to Lehman in writing on the date an order is made, instructions with respect to shipment and delivery, Lehman may make arrangements on behalf of the Dealer for shipment of the Product(s) to the Dealer. In doing so, Lehman reserves the right to choose the method and route for shipping the Product(s). Lehman agrees to select a point of shipment delivery which is reasonable and within the Territory, but in no event shall it guarantee rates or classification.
- 4.2 Upon Lehman placing the Product(s) in the hands of a carrier at the point of shipment, the Product(s) shall be at the Dealer's risk and Lehman shall not be liable for loss or damage to Product(s) in transit except for loss or damage caused solely by the agents or employees of Lehman. In such case, Dealer assumes all responsibility to obtain compensation from the carrier for loss or damage to the Product(s) in transit.

5 ADDITIONAL DEALER RESPONSIBILITIES

- 5.1 Sales and Promotion - Dealer agrees to promote and sell the Product(s) through a quality advertising promotion and sale program intended to maintain a reasonable level of performance. Dealer agrees to utilize the promotional materials prepared by Lehman as part of its promotion program, and agrees to include Lehman's name, logo and colors, in a prominent manner, on its own promotional materials that advertise Lehman Product(s). Dealer agrees to conduct business in a manner that preserves and enhances the reputation of both Lehman and Dealer for providing quality products and services.

- 5.2 Dealer must use its best efforts to sell the Products and to develop sales of Products within its area of primary responsibility.
- 5.3 Dealer must make all payments to Lehman on a timely basis.
- 5.4 Facilities and Inventory - Dealer agrees to maintain the appearance and condition of the facilities at the Authorized Retail Location so as to reflect favorably on the Product(s) and the quality image associated with Lehman. Dealer agrees to generally maintain the business hours customary in the trade. Dealer agrees to maintain at its Authorized Retail Location(s), an inventory of Product(s) adequate to meet the current and anticipated demand in the area served by the Dealer so as to be able to provide reasonable delivery and service to the purchasers of the Product(s).
- 5.5 Personnel and Training - It is acknowledged by the parties that the proper representation and service of the Product(s) is required; therefore Dealer agrees to maintain a trained staff of competent sales and service personnel who are thoroughly familiar with the features and advantages of the Product(s) and can truthfully demonstrate and explain such features and benefits of the Product(s) to customers and service the Product(s) in a prompt workmanlike manner to Lehman's reasonable satisfaction. It is recommended that Dealer have its sales and service personnel attend sales and service training sessions as may be offered by Lehman and to study bulletins issued of the Product(s). Dealer agrees that all installation of the Product(s) (if authorized) shall comply with factory specifications and federal compliance requirements. Dealer agrees to assemble, service and inspect, before delivery, all Product(s) sold to customers, and to instruct customers in the use and operation thereof.
- 5.6 Customer Relations - Dealer confirms that it has been advised of, agrees with and will at all times conduct its operation in accordance with Lehman's philosophy of delivering premium products and services to our customers and that it will take all steps to ensure customer satisfaction. Dealer agrees to properly represent the Product(s) and not make, directly or indirectly, any false, misleading or discouraging representations, including advertisements to any customer or other persons with regard to Lehman or its Product(s). Dealer shall convey and extend to each purchaser of Product(s) the terms of the warranty extended to Dealer by Lehman, together with its limitations.
- 5.7 Records and Reports - Dealer agrees to keep Lehman advised and to provide Lehman, upon request, complete and accurate information regarding Dealer's sales and inventories of Product(s), Dealer's Product(s) Customers lists and warranty cards and such other information as reasonably requested by Lehman. Dealer agrees to provide Lehman reasonable access, during the course of each year of this agreement, to the Dealer's records. Dealer agrees to notify Lehman promptly of any material changes in its business organization or financial condition or in any information relating thereto previously furnished to Lehman. Dealer agrees to provide complete financial statements for Dealer, the Dealership and the principal equity owner(s) of Dealer when requested. Dealer consents to full and open disclosure of financial information concerning Dealer and the Dealership between Lehman and any financial institution or company which finances

Dealer's inventory of Products. Each party shall cooperate and work with the other or its representative.

- 5.8 Compliance with Laws - Dealer agrees to conduct and maintain at all times its operations in strict compliance with all Federal and State laws and regulations, county, municipal and city ordinances and regulations and any other applicable law, regulation or ordinance, and Dealer agrees not to engage in any unfair trade practices. Each party shall indemnify, and do hereby indemnify and hold the other party harmless from any cost and liability that may result from a violation of this paragraph.
- 5.9 Report of Delivery - For the purposes of tracking and establishing the date of delivery to the initial retail purchaser, Dealer shall furnish to Lehman, a complete and accurate warranty card covering the delivery of each trike in accordance with the Warranty registration procedures as set forth by Lehman. Further, Dealer shall maintain on file at the dealership the pre-delivery inspection report covering the delivery of each trike. Failure to return warranty cards and maintain pre-delivery inspection reports will constitute a material breach of the dealer agreement.
- 5.10 Liability Insurance - The Dealer shall secure appropriate garage liability insurance coverage suitable in the circumstances and shall provide Lehman with evidence of the same. Dealer agrees to indemnify and hold Lehman harmless from all claims or causes of action arising out of any failure to secure appropriate garage liability insurance coverage.
- 5.11 Warranty Claims and Repairs - Dealer agrees to extend the designated warranty offered by Lehman on Product(s) to the purchasers of Lehman Product(s). Dealer shall be solely responsible for any warranty given to a customer which exceeds the warranty provided by Lehman and for any liability attributable to Dealer's failure to use the authorized Lehman warranty registration form. If Dealer provides any warranty exceeding the warranty provided by Lehman, Dealer agrees to indemnify Lehman from all claims and liability arising out of such warranty, to the extent of such additional warranty. Dealer also agrees to be responsible for any material and labor costs arising from warranty claims which are attributable to poor or inappropriate Dealer workmanship and/or errors.
- 5.12 Dealer agrees to provide timely warranty service on all of Lehman's products presented to Dealer by purchasers in accordance with the Warranty in effect from time to time concerning the Agreement. Refusal to provide warranty service to purchasers covered by an existing warranty constitutes a material breach of the agreement. Dealer agrees to make all claims for reimbursement for warranty service under the policies and procedures established by Lehman, which may be changed from time to time. Lehman will reimburse dealers for valid warranty claims.

6 ADDITIONAL LEHMAN RESPONSIBILITIES

- 6.1 Advertising - Lehman will furnish Dealer, free of charge, suitable advertising literature, Product(s) catalogues, specification sheets, and ad mats for local advertising, in reasonable quantities appropriate for the purpose for which used. Lehman will extend to the Dealer its cooperation and advice in sales promotion, sales incentives, and will

prepare and make available to Dealer at cost or less (including handling and mailing where applicable), such catalogs, direct mail advertising, literature and sales promotion aids, designed for each principle selling season as Lehman finds to be appropriate.

- 6.2 Training - Lehman agrees to provide to the Dealer technical and sales training for staff of the Dealer either at Lehman's facilities or at Dealer's site (for training at Lehman facilities the Dealer shall be responsible for all costs of its staff, including wages, travel and accommodation; for training on site the Dealer will be responsible for all associated costs of Lehman personnel, including wages, travel and accommodation).
- 6.3 Name License - Lehman grants to Dealer, for so long as this Agreement remains in effect, a non-exclusive right to use its Product(s) trade names and associated symbols. The rights granted hereunder shall be exercised only in connection with this Agreement. Lehman shall have the right to inspect, approve and reasonably control the type and quality of any advertising using or incorporating any Lehman trade names and associated symbols. Dealers shall always use the "Lehman" name in connection with all its Lehman Product(s), advertising or promotional materials.
- 6.4 Warranty and Insurance - Lehman shall provide warranty coverage on Lehman products and advise the Dealer of all warranty programs applicable to the Product(s).
- 6.5 Referrals – Lehman will refer to the Dealer customer inquiries arising within the Dealer's area of primary responsibility.
- 6.6 Periodic Planning and Review - Lehman shall, upon request, assist each Dealer with its strategic business and market planning. Also, during the course of each year of this Agreement, Lehman shall periodically review Dealer's efforts and performance. Dealer shall be evaluated based on reasonable criteria including but not limited to (1) the number of units of the Product(s) and mix of the Product(s) purchased by Dealer from Lehman, (2) the Territorial penetration of Product(s), and (3) national and local economic conditions affecting the market for the Product(s).

7 CHANGE IN DESIGN

- 7.1 If changes or design improvements are made in the Product(s) offered by Lehman, Lehman shall not be obliged to furnish the Dealer with redesigned or improved parts or components of Product(s) previously delivered to the Dealer.

8 CONDITIONS AND WARRANTIES

- 8.1 Lehman warrants the Product(s) supplied to the Dealer shall be fit for the purpose for which they were intended and are free from defect in material and workmanship.
- 8.2 This warranty is provided in lieu of, and Dealer hereby waives, all other conditions, warranties, guarantees and liabilities, express or implied, arising by law or otherwise, and whether or not occasioned by Lehman negligence and shall not be extended, altered or varied except by written agreement signed by the authorized officers of Lehman. The extent of this warranty is limited to repair of such defect or to repair or replacement of

any Product(s). The Dealer agrees that Lehman shall in no case be liable to Dealer for damages of any kind, including special or consequential damages.

- 8.3 It is further agreed that any description of Product(s) contained in an invoice issued by Lehman in connection with Product(s) is for the sole purpose of identification and does not form a warranty or condition that the Product(s) shall correspond with the description. However, Lehman shall use its best efforts to make invoices to the Dealer accurate. No affirmation of fact or promise made by Lehman or any agent or employee of Lehman shall constitute a warranty or condition that the Product(s) will conform to the affirmation or promise unless made in writing.

9 TERMINATION

- 9.1 This Agreement may be terminated at any time by the mutual consent of Dealer and Lehman.
- 9.2 Either party may terminate this dealer agreement immediately upon any material breach of this Agreement.
- 9.3 This Agreement may be immediately terminated by either party upon written notice to the other if any of the following occur: (i) either party shall become insolvent or take or fail to take any action which constitutes an admission of inability to pay debts as they mature; (ii) either party makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of assets; (iii) either party becomes a subject to an "order of relief" within the meaning of the United States Bankruptcy Code; (iv) either party applies to a court for the appointment of a receiver for any assets or properties; or (v) either party makes a fraudulent misrepresentation in connection with this Agreement.
- 9.4 This Agreement may be immediately terminated by Lehman upon written notice to Dealer if: (i) Dealer fails to purchase the minimum requirements as defined by the Dealer Policy (Schedule A); (ii) Dealer fails to: (A) pay when due, any amount owed to Lehman or any of its affiliates, and such failure continues for more than five (5) days after notice thereof; or (B) pay Lehman (or any of its affiliates) or any lien holder, lender or vendor any amounts due them for Products, immediately upon the transfer, sale or surrendering possession thereof (commonly referred to as "selling out of trust"), and failure to cure within two (2) days of said transfer, sale or surrender, without notice or demand; (iii) Dealer defaults under any lease, mortgage, or deed of trust pertaining to the Dealership for a period in excess of thirty (30) days; (iv) Dealer or any officer, director or substantial equity owner or principal of Dealer is convicted in any court for any offense related to Dealer's business or an act of moral turpitude; (v) Dealer or any officer, director or substantial equity owner or principal of Dealer acts in a manner that impairs Lehman's goodwill or the goodwill associated with the Products; and (vi) Dealer offers for sale or otherwise deals in Lehman's Products from a location other than the Authorized Retail Location without the prior written consent of Lehman.

- 9.5 Notwithstanding the termination of this Agreement in accordance with the provisions of paragraphs 8.2, 10.1, 10.8 and 10.9 shall remain in full force and effect for a period of two (2) years from the effective date of termination.

10 MISCELLANEOUS

- 10.1 This Agreement does not in any way create the relationship of principal and agent between Dealer and Lehman and in no circumstances shall the other party, its agents or employees, be considered the agent of either party. Neither party shall act, or attempt to act to represent itself directly or by implication as agent of the other party or in any matter assume or create any obligation or make any contract, agreement, representation or warranty on behalf of or in the name of either party except those authorized in writing by either party. Dealer agrees that this Agreement does not constitute the grant of a franchise and acknowledges that it has not been required to, nor has it paid, any franchise fee in connection with execution of this Agreement. Both parties shall indemnify and hold each other harmless from any cost or liability caused by the acts of either party, its employees or agents, and from liability caused by any unauthorized acts by either party, its agents or employees.
- 10.2 Neither party shall be responsible for or liable for failure to perform any part of this Agreement or any delay in the performance of any part of this Agreement directly or indirectly resulting from or contributed to by any foreign or domestic embargoes, acts of God, the adoption or enactment of any law, ordinance, regulation, ruling or order directly or indirectly interfering with the production or delivery hereunder, or lack of the usual means of transportation, fires, floods, explosions, strikes, or other events or contingencies beyond its control.
- 10.3 This Agreement supercedes and terminates any and all prior agreements or contracts, written or oral, entered in between Lehman and the Dealer as of the effective date of this Agreement with reference to all matters covered by this Agreement. This Agreement, including the attached Dealer Policy (Schedule A), as amended from time to time, constitutes the entire Agreement between Lehman and Dealer.
- 10.4 This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota, except as otherwise specifically herein provided. Nothing in this Agreement is intended to invoke the application of any statute, rule or regulation of any state, including South Dakota, which would not otherwise apply to the relationship between Lehman and Dealer.
- 10.5 Failure of either party to enforce any of the provisions of the Agreement or any rights with respect hereto or failure to exercise any election provided for herein shall in no way be considered to be a waiver of such provision, rights or elections or in any way effect the validity of this Agreement. The failure of either party to exercise any of said provisions, rights or elections shall not preclude or prejudice such party from later enforcing or exercising the same of any other provisions, rights or elections which it may have under this Agreement.

10.6 If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

10.7 Notices - All notices, requests, demands or other communications required to be given or made or provided for in the Agreement shall be in writing and shall be deemed to have been given and received if delivered or sent by fax, email or registered mail:

If to Lehman, addressed to:

LEHMAN TRIKES USA

125 INDUSTRIAL DRIVE

SPEARFISH, SD 57783

If to Dealer, addressed to:

Dealer Name: _____

Address: _____

Attention: _____

Fax Number: _____

Any party hereto may change its address for service by notice thereof to the other party.

10.8 Confidentiality - Dealer agrees that it will:

10.8.1 Keep in confidence all confidential information (including but not limited to trade secrets, price lists, price books and bulletins) and not, directly or indirectly, disclose any confidential information to any person or party whatsoever;

10.8.2 Not, directly, or indirectly, use any confidential information for its own benefit or for the benefit of any person or party whatsoever;

10.8.3 Not, directly or indirectly, use or copy any confidential information for any purpose other than the sale of Product(s),

10.8.4 Refrain from permitting a competitor to use or inspect Products for the purpose of reproducing or duplicating Lehman product design.

10.8.5 Upon termination of this Agreement, Dealer shall promptly return to Lehman all copies of all materials, written or otherwise, provided to Dealer by Lehman during the course of this Agreement. Further, Dealer shall immediately cease to use or display in any manner and for any purpose the Product(s), trade names and associated symbols thereunder.

- 10.9 Limitations of Liability - Lehman's liability to Dealer on any claim of any kind, including negligence for any loss or damage arising out of, connected with, or resulting from the order or performance or breach thereof, or from the manufacture, sale, delivery, resale, repair or use of any Product(s) furnished under an order shall in no case exceed the price allocable to the Product(s) which gives rise to the claims. In no event shall Lehman be liable to Dealer for special or consequential damages.
- 10.10 Lehman from time to time may establish, modify and enforce reasonable policy rules and regulations regarding the relationship between Lehman and the Dealer and regarding the conduct and operation of the dealership. All rules and regulations, and modifications thereto, become a part of this Dealer Agreement and bind the Dealer. The Dealer will comply with the rules and regulations, and all modifications thereto. Notice of the Rules and regulations, and any modifications thereto, if any, will be given to the Dealer by Lehman.
- 10.11 Except as otherwise specifically set forth herein or agreed to in writing by the parties, any action, whether sounding in contract, tort or otherwise ("Dispute" or "Disputes"), shall be resolved by arbitration as set forth below and shall include all Disputes arising out of or in connection with (i) this Agreement or any related agreements or instruments, (ii) all past, present, and future agreements involving the parties, (iii) any transaction contemplated hereby, and all past and future transactions involving the parties, and (iv) any aspect of the past, present or future relationships of the parties or their related parties. Such disputes shall be resolved by binding arbitration in accordance with Title 9 of the U.S. Code and the Commercial Arbitration Rules of the American Arbitration Association. In the event of any inconsistency between such Rules and these arbitration provisions, these provisions shall supercede such Rules. Every decision by arbitration shall be made in accordance with the applicable substantive law. An arbitration award shall not include punitive damages. Judgment upon the award rendered by arbitration may be entered in any court having jurisdiction. The parties hereto expressly agree that the arbitrator shall have the power, right and authority to decide some and/or all of the issues, claims, and/or defenses presented in the arbitration through summary judgment, summary disposition or dismissal proceedings without a full evidentiary hearing or witness testimony as long as all parties are permitted to submit papers (memoranda and affidavits) and have oral argument (either in person or by telephone) as to the issues. Any arbitration commenced by either party with respect to a Dispute shall only be brought in the State of South Dakota. A party may file a court action to enforce or vacate an arbitration award in any court having jurisdiction.

11 FURTHER ASSURANCES

- 11.1 The parties hereto and each of them does hereby covenant and agree to do such things and execute such documents, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement and in accordance with its true intent.

WHEREFORE: Lehman and the Dealer have each affixed their respective corporate seals, attested by the hands of their duly authorized officers on the day and year first above written.

Champion Investments, Inc. d.b.a.

Dealer Name: _____

Lehman Trikes USA

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____