

## **HUG UKULELE DEALER AGREEMENT & APPLICATION**

When signed, this document constitutes an agreement between the retail dealer, hereinafter referred to as “Dealer” engaged in the sale of products manufactured and/or distributed by HUG Ukulele and its affiliates, hereinafter sometimes referred to as “HUG Ukulele or HUG”. HUG conveys the Dealer the right to purchase from HUG Ukulele and re-sell its products under the following terms and conditions.

### **Requirements to become a Dealer for HUG Ukulele and its affiliates**

1. Dealer must have a retail store front.
2. HUG has the right to cancel or defer any order/shipment if the Dealer should fail to meet scheduled or other financial requirements including checks, which have not been honored, by the Dealer’s bank. Said cancellation or deferment or delivery shall not be constituted as a breach of this agreement on the part of HUG Ukulele.
3. It is expected that Dealer will maintain at all times a representative selection of HUG products.

### **Terms of Sale for HUG Ukulele**

1. Minimum opening order to become an authorized HUG Ukulele dealer is 10 HUG Ukulele.
2. Semi-annual minimum orders of 10 HUG Ukulele are required to maintain authorized HUG Ukulele Dealer status.
3. All orders are shipped pre-paid by PayPal, Visa, or MasterCard unless otherwise indicated and arranged for in advance of shipment. For consideration of net terms, a HUG Ukulele Credit Application must be completed and returned for approval.
4. Dealers are to refer all custom ukulele inquires to HUG Ukulele. Dealers will be able to purchase set models. HUG Hawaiian built and custom models at a discounted retail price.
5. Freight charges, insurance, and any applicable taxes are in addition to the Dealer Price and will be added to all shipments.
6. MAP (Minimum Advertised Price) does not reflect any applicable sales tax or shipping costs. Shipping is not to be included in the advertised price.
7. Dealer agrees that any and all products purchased by Dealer and revenue generated by Dealer from the purchase of the product is collateral (“Collateral”) to secure any and all obligations Dealer may have to HUG Ukulele including, without limitation, full payment of the products and all expenses relating to collection of the purchase price including (but not limited to) reasonable legal fees (“Payment Obligation”). Dealer agrees that as collateral security for the Payment Obligation, the Dealer hereby grants, transfers and conveys to HUG Ukulele a continuing security interest in all currently existing and hereafter acquired Collateral to secure the Payment Obligation.

Dealer agrees and acknowledges that HUG Ukulele may perfect its security interest in the Collateral by filing a financing statement in favor of HUG Ukulele. Upon request, Dealer also agrees to execute such financing statements

and take whatever action requested by HUG Ukulele to perfect the security interest in the Collateral. This is a continuing security agreement and will continue until all the Payment Obligation is paid in full. Dealer hereby authorized HUG Ukulele to take any and all action necessary or deemed appropriate by HUG Ukulele to secure its security interest including, without limitation, filing any financing statement with respect to the Collateral. Dealer authorizes HUG Ukulele to file such statements (if permitted by applicable law) without Dealer's signature.

### **Minimum Advertised Pricing Policy**

1. All products must be advertised at the "MAP" price listed in the HUG Ukulele Dealer Price List.
2. HUG authorized are strictly prohibited from selling HUG products on third party Internet sites including but not limited to eBay, Amazon, Reverb.
3. All dealers who post on their website must have products that are currently in their inventory unless otherwise agreed upon by the Distributor.

### **Credit Terms and Conditions**

1. HUG Ukulele will charge a \$35.00 service fee on all returned checks.
2. Dealer will bear all costs incurred in collecting any unpaid amounts including, but not limited to, court costs, collection agency and attorney's fees.
3. Short shipments and damaged shipments must be reported to HUG Ukulele within 5 days of receipt of shipment.
4. Purchase orders are not considered binding until accepted by HUG Ukulele. HUG Ukulele reserves the right to accept or reject any order in whole or in part at its sole discretion.
5. The undersigned hereby authorizes Hug Ukulele to secure credit and other pertinent information as HUG deems necessary and further, that inquiries may be made at any time in connection with credit hereby applied for. The undersigned also consents to the interchange of such information with any credit person or credit agency.
6. Credit privileges are granted at the sole discretion of HUG Ukulele and are subject to be withdrawn without notice at any time.
7. A late fee of \$25.00 (twenty-five dollars) will be assessed to accounts over 30 days past due and continues to accrue at the same rate in 30-day increments.
8. This Agreement is governed by and construed in accordance with the laws of the State of Hawaii. This Agreement may not be assigned without the written authorized consent of HUG Ukulele

**By signing below, Dealer agrees to the foregoing terms and conditions of sale. Please return the signed Agreement to HUG Ukulele with all requested supporting documents. Sales representatives are not authorized to amend or alter the terms of this agreement. The execution of this Agreement by the applicant does not constitute an agreement with HUG until it is signed and returned by HUG Ukulele.**

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Dealership Applying for (check one): \_\_\_\_\_ HUG Ukulele

Company/Business Name  
\_\_\_\_\_

We are a: \_\_\_ Corporation \_\_\_ Partnership \_\_\_ Proprietorship In business for: \_\_\_\_\_ years

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Bus. Ph \_\_\_\_\_ Alt. Ph \_\_\_\_\_ Fax \_\_\_\_\_

E-mail address \_\_\_\_\_ Web Site \_\_\_\_\_

Resale Tax No. \_\_\_\_\_ Federal I.D. No. \_\_\_\_\_

(USA companies only)

Contact Name \_\_\_\_\_ Title \_\_\_\_\_

Contact Name \_\_\_\_\_ Title \_\_\_\_\_

Please list credit card information. Credit Card will be charged prior to each shipment. (We accept VISA, Mastercard and AMEX. Wire Transfers are accepted for Foreign Dealers.)

CC#: \_\_\_\_\_ Exp: \_\_\_\_\_ Security code: \_\_\_\_\_

Signature: \_\_\_\_\_

Statement address:  
\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

DO NOT FILL OUT BELOW THIS POINT FOR OFFICE ONLY

Company HUG Ukulele

Name: \_\_\_\_\_ Name: HUG Representative:

\_\_\_\_\_ Title: Owner & Marketing Director

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

I have read and fully understand the document HUG Ukulele **Dealer Agreement & Application** and will follow dealer rules and regulations as stipulated by this agreement.

REV. January 2020