

DEALERSHIP AGREEMENT

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DEALERSHIP AGREEMENT, entered into in the City of, Province of
(insert name of province), Canada.

BETWEEN: V1 (name of individual), (occupation), domiciled and
residing at (insert civic number and street name), in the City of
..... (insert name of city), Province of (insert name of
province), (postal code);

OR

V2 (corporate or business name), a legal person duly incorporated
pursuant to the Act (name of statute under which the corporation was
incorporated), having its principal place of business at (insert civic
number and street name), in the City of (insert name of city), Province of
..... (insert name of province), (postal code);

OR

V3 (corporate or business name), a legal person duly incorporated
pursuant to the Act (name of statute under which the corporation was
incorporated), having its head or registered office at (insert civic number
and street name), in the City of (insert name of city), Province of
..... (insert name of province), (postal code), represented by
..... (name of representative), its (title of representative),
duly authorized for the purposes hereof;

OR

V4 (corporate or business name), a legal person, duly incorporated
pursuant to the Act (name of statute under which the corporation was
incorporated), having its head or registered office at (insert civic number
and street name), in the City of (insert name of city), Province of
..... (insert name of province), (postal code), and duly
registered under number (.....) in accordance with (insert
name of statute pursuant to which the entity is registered), represented by
(name of representative), its (title of representative), duly authorized for
the purposes hereof as he/she so declares [or as indicated in the resolution of the [sole
director or board of directors]];

HEREINAFTER REFERRED TO AS "MANUFACTURER";

AND: (identification of the dealer);

MANUFACTURER	DEALER

HEREINAFTER REFERRED TO AS "DEALER";
HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PARTIES".

RECITALS

THE PARTIES MAKE THE FOLLOWING REPRESENTATIONS:

- (A) MANUFACTURER manufactures goods intended for the consumer market;
- (B) MANUFACTURER wishes to market its products through a network of exclusive sale outlets;
- (C) DEALER owns one or several establishments which may serve as sale outlets for the distribution, to consumers, of MANUFACTURER's products;
- (D) DEALER considers that it is in his own interest to be able to promote, sell, maintain and repair MANUFACTURER's products in its establishment(s);
- (E) MANUFACTURER wishes to grant to DEALER the right to promote, sell, maintain and repair its products;
- (F) The PARTIES wish to set out in writing the terms of their agreement regarding such purpose;
- (G) It is the intent of the PARTIES that their agreement be construed as a contract by mutual agreement.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

0.00

INTERPRETATION

0.01 Definitions

Unless otherwise indicated, capitalized words and expressions appearing in the Agreement shall be interpreted or construed as follows:

MANUFACTURER	DEALER

0.01.01 Activities

means (identify business sector) of (identify subject person);

0.01.02 Agreement

means this agreement including its recitals and schedules, any related or ancillary agreement or document identified therein, as well as any amendment made thereto from time to time by the PARTIES in compliance with Section 12.05; the terms “herein”, “hereof”, “hereto”, “herewith”, “hereunder”, “hereby” and other similar terms, when used in the Agreement, shall generally refer to the agreement as a whole rather than to a specific part thereof, unless otherwise indicated in the text;

0.01.03 Breach

means any misrepresentation, inaccuracy, error, omission, non-compliance, infringement, failure, claim or other circumstance relating to a representation, warranty, covenant, obligation or other provision of the Agreement leading to:

- (a) any infringement of the Agreement; or
- (b) any claim by any Person or other occurrence or circumstance which (i) is inconsistent with a covenant, obligation or other provision of the Agreement and (ii) causes damage to such Person;

0.01.04 Change in Control

means, in relation to any PARTY to the Agreement whose legal status is that of a business corporation, any one of the following events:

- (a) the direct or indirect acquisition by any Person or entity of securities of such a corporation representing more than FIFTY PERCENT (50%) of the corporation’s voting rights;
- (b) an agreement for the sale or disposition of all or substantially all of such a corporation’s assets;
- (c) a reorganization of such corporation leading to an assignment of a PARTY’s rights in the Agreement to a Related Person;
- (d) a merger of such a corporation; or

MANUFACTURER	DEALER

- (e) the approval by the shareholders of such a corporation of a plan for its complete liquidation;

0.01.05 Competing Product

Means any product which is similar to MANUFACTURER’s Product(s) and which is manufactured by a competing business;

0.01.06 Confidential Information

means any commercial, technical, scientific, financial, legal, personal or other information disclosed by a PARTY relating to the disclosing PARTY’s business activities, strategies or opportunities, Intellectual Property, suppliers, customers, financial condition or employees which, at the time of disclosure, is designated as confidential, is disclosed in confidence, or would be understood by the receiving PARTY, exercising reasonable business judgment, to be confidential, but excludes:

- (a) information known to the receiving PARTY before the date on which it is received;
- (b) information known by the public or available to the public before the date on which it is received;
- (c) information which becomes known by or available to the public after the date on which it is received and which does not result from a breach of confidentiality on the part of the receiving PARTY;
- (d) information received at any time by a Person not bound to one of the PARTIES by an undertaking of confidentiality with regard to such information;
- (e) information independently produced by the receiving PARTY;
- (f) personal information provided by an individual when such information is being used for the purpose for which it has been previously disclosed or any other purpose permitted by Law;

0.01.07 Control

means the control by an individual, directly or through an intermediary, other than as a creditor, or by a group of Persons acting together, of shares issued by DEALER granting it more than FIFTY PERCENT (50%) of the votes during a meeting of shareholders and which allows it to elect the majority of the directors sitting on DEALER’s board of directors;

0.01.08 Dealership

MANUFACTURER	DEALER

means DEALER’s place of business;

0.01.09 Encumber or Encumbrance

encumber means to create or grant an encumbrance and encumbrance means a legal cause of preference, a dismemberment of ownership rights, an ownership modality, a restriction on the right to sell or a security interest;

0.01.10 Establishment

means DEALER’s physical sale outlets;

0.01.11 Force Majeure

means any event beyond the control of a PARTY which could not have been reasonably foreseen and against which it could not have protected itself such as, without limiting the generality of the foregoing, natural disasters, epidemics, fires, accidents, acts of war (whether declared or not), insurrections, riots, acts of terrorism, wildcat strikes, partial or total work stoppages or slowdowns, lock-outs, changes in market conditions, power or communications breakdowns, interventions by civil or military authorities, compliance with any orders of governmental authorities, courts or tribunals or public authorities;

0.01.12 Fundamental Provisions

means, in the opinion of the PARTIES, Parts of the Agreement;

0.01.13 Industrial Property

refers to MANUFACTURER’s expertise, all information of a confidential nature that MANUFACTURER does not usually disclose to competitors, any knowledge acquired by MANUFACTURER during the conception of the Products, as well as any Product not yet patented, all technical data, procedures, processes, formulas, specifications, technical uses, information, diagrams, drawings, plans, list of materials, production manuals and commercial information (list of clients, of suppliers or of prices, proposals, offers, promotional documents, etc.) developed or used by MANUFACTURER and relating to the conception, marketing, realization and improvement of the Products;

0.01.14 Intellectual Property

means any intangible asset, the proprietary rights of which may be protected by contract such as trade secrets, know-how and other similar assets and any intangible asset, the proprietary rights of which are protected by Canadian or foreign Laws such as patents,

MANUFACTURER	DEALER

copyright, trademarks, industrial designs, integrated circuit topographies or plant species and includes any application made to and any registration or patent issued by a public authority for the purpose of securing proprietary and/or intellectual property rights to such intangible assets;

0.01.15 Legal Representatives

means, in respect of each PARTY and, as the case may be, its authorized assignee, when a natural person, the executors or administrators of his estate, his legal heirs, legatees, successors or mandataries and, when a legal person, its directors, officers, shareholders, members, employees and representatives;

0.01.16 PARTY

refers to a signing party to the Agreement and includes its Legal Representatives;

0.01.17 Person

means, as the case may be, a natural person, partnership, joint-stock company, business corporation, cooperative, association, labour union, trust or any other organization whether incorporated or unincorporated, or any public authority of foreign, federal, provincial, territorial or municipal jurisdiction which is not a party to the Agreement, and includes their Legal Representatives;

0.01.18 Prime Rate

means, for each day, the annual rate of interest which the main business bank of MANUFACTURER sets for that day, according to the financial markets, which it discloses publicly and based upon which it sets the interest rates for the loans it grants in Canada in Canadian currency;

0.01.19 Product(s)

means all products manufactured by THE MANUFACTURER, without exception, or which the latter may have used subcontractors to manufacture, whether or not they are marketed under a trade-mark used by the latter, as well as any other product that MANUFACTURER may manufacture during the term of the agreement;

0.01.20 Related Person

means, in relation to a PARTY, any Person identified in Subsection 251(2) of the *Income Tax Act* (Canada), R.S.C. 1985, c.1. (1st Supp.) or any Person not dealing at arm's length with such PARTY;

MANUFACTURER	DEALER

0.01.21 Subsidiary

means an entity controlled by or under common Control of a PARTY to the Agreement, through ownership or control of more than FIFTY PERCENT (50%) of the voting rights or other means of ownership or control, provided that such control continues to exist;

0.01.22 Territory

Means the territory contained in the geographical area delineated in the following manner:

- (a) TO THE NORTH:
- (b) TO THE SOUTH:
- (c) TO THE EAST:
- (d) TO THE WEST:

0.02 Precedence

The Agreement reflects the entire understanding between the PARTIES. It supersedes all other written or verbal promises or covenants made prior to its signing in addition to any schedules hereto attached and all amendments agreed upon by the PARTIES which do not comply with Section 12.05 of the Agreement.

0.03 Jurisdiction**0.03.01 Governing Law**

The Agreement shall be interpreted, construed and performed in accordance with applicable laws of the Province of Quebec and of Canada. Where the Agreement refers to a specific statute, such reference includes all regulations passed pursuant thereto, all amendments relating thereto as well as any statute or regulation which supplements or replaces such statute or regulation. Any reference to a repealed statute shall be considered to refer to the statute and the regulations pursuant thereto as they read immediately prior to the repeal of the statute.

0.03.02 Non-compliance**(a) Severability**

In the event that any provision of the Agreement is deemed to be invalid or unenforceable, such provision shall, whenever possible to do so, be interpreted, construed, limited or if necessary severed to the extent necessary to eliminate such invalidity or unenforceability.

MANUFACTURER	DEALER