

Demonstration Agreement

THIS DEMONSTRATION AGREEMENT ("this Agreement") is entered into this ____ day of _____, 200____, between Club Demonstration Services, Inc. ("CDS") and _____ ("Vendor"), with reference to the following facts:

RECITALS

WHEREAS, CDS is permitted to demonstrate products throughout various Costco locations in Japan ; and
WHEREAS, Vendor desires to have its Products (as hereinafter defined) demonstrated at Costco locations in Japan ; and
WHEREAS, Vendor desires to hire CDS to demonstrate its Products at Costco locations in Japan ,
NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1. Demonstration Services

Subject to the terms and conditions contained herein, CDS agrees to demonstrate the products ("Products") of Vendor.

2. Demonstrations

Upon receipt of request(s) by Vendor CDS agrees to demonstrate the Vendor's Products at such locations and dates as are available at Costco locations in Japan . The parties understand and agree that CDS shall have no obligations under this Agreement if Vendor has failed to pay any invoices to CDS in accordance with their terms or if the costs of such demonstrations exceed the Vendor's available line of credit with CDS. It is understood that a line of credit (where applicable) will be determined using a credit reporting agency such as, but not limited to, Teikoku Data Bank. Line of credit establishment is at the sole discretion of CDS.

3. Method of Demonstration

CDS shall have sole and absolute right, power and authority to determine the method, location within Costco, and all other issues that arise regarding the demonstration of the Products. Demonstrations may not occur on the originally scheduled date. If this occurs, CDS will automatically reschedule the demonstration(s) within 14 days of the original date. If the demonstration cannot be performed within the 14 day time period, the demonstration will be permanently cancelled.

4. Scheduling

The parties understand and agree that scheduling of demonstrations at the requested locations will occur as soon as reasonably possible. Vendor must notify CDS a minimum of three (3) weeks in advance of any requested demonstrations. Any cancellations by the Vendor within 72 hours of a proposed demonstration will be charged to the Vendor if the demonstration was performed. CDS will make a good faith effort but does not guarantee cancellation of demonstrations if notified within 72 hours of a proposed demonstration. The parties understand and agree that Costco requires CDS to automatically reschedule demonstrations that could not be performed on the originally scheduled date. The vendor understands and agrees that CDS shall have sole and absolute right, power and authority to re-schedule demonstrations at the earliest available date.

5. Force Majeure

Neither Party shall be deemed to have defaulted or failed to perform hereunder if CDS's inability to perform or default shall have been caused by an event or events beyond its control and without the fault of CDS, including, without limitation, acts of government, embargoes, fire, flood, explosions, acts of God, or a public enemy, strikes, labor disputes, vandalism, civil riots or commotions, or the inability to procure necessary materials, supplies, equipment, space, or individuals to perform the demonstration or the Products described herein.

6. Payment for Services Rendered

Vendor agrees to pay CDS for the services rendered herein in accordance with the terms and conditions provided to Vendor pursuant to CDS's invoices. Nothing herein shall be construed to obligate Vendor to pay for services which were either (i) canceled more than 72 hours prior to a proposed demonstration, or (ii) which did not take place, regardless of the reason. Rate schedule can be found at www.clubdemojapan.com. Rates are subject to change.

7. Defaults and Remedies

An event of default under this Agreement shall include: (i) the failure of Vendor to timely pay any payments required under Section 6 herein; (ii) any financial statement or other statement, including the credit application executed by Vendor and furnished to CDS in connection with this or prior transactions, proves to be false or misleading in any respect; (iii) a petition for bankruptcy or similar procedures affecting creditors' rights generally is filed with respect to Vendor or any guarantor of Vendor for this Agreement; (iv) a substantial portion of the property of Vendor or any guarantor of Vendor for this Agreement is attached, levied upon, seized or condemned and such attachment, levy, seizure or condemnation (collectively "Levy") is not removed or dismissed within five (5) days of the Levy; or (v) a voluntary dissolution is commenced with respect to Vendor or any guarantor of Vendor for this Agreement and such dissolution is not dismissed or terminated with 30 days.

8. Remedies Upon Default

If an event of default occurs, and after the time to cure (if any) has passed, CDS shall have the following remedies, without prior notice, and which shall be cumulative in nature:

- 8.1 Declare all payments hereunder immediately due and payable;
- 8.2 Exercise all rights and remedies available under the applicable law; and
- 8.3 Exercise assignment of accounts receivable from Costco.

9. Miscellaneous Provisions

9.1 Notices. All notices or other communication required or permitted hereunder shall be in writing and shall be deemed to be duly given on the date on which the notice reached or is deemed by law to have reached the party to whom notice is to be given. When sent by mail, the notice shall be addressed as follows:

If to Vendor: (please fill in)

If to CDS:

Club Demonstration Services, Inc.
Japan Office
Sankei Bldg. 9-A
2-6-2 Isago, Kawasaki-ku
Kawasaki-shi, Kanagawa-ken 210-0006, Japan

or such other address as may be specified by a party hereto pursuant to notice given to the other parties in accordance with the provisions of this Section.

9.2 **Amendment and Modification.** No term or provision of this Agreement may be amended, waived, released, discharged or modified in any respect except in writing signed by the parties to this Agreement.

9.3 **Successors and Assigns.** Unless otherwise stated herein, each and every representation, warranty, covenant, agreement, indemnification and provision of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties.

9.4 **Severability.** Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between the provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provision of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirement of the law. In the event that any part, section, or clause of this Agreement shall be held to be indefinite, invalid, or otherwise unenforceable, the entire agreement shall not fail on account thereof and the balance of the agreement shall continue in full force and effect. If any court deems any provision hereof (other than for the payment of money) unreasonable, said court may declare a reasonable modification thereof and this Agreement shall be valid and enforceable and the parties hereto agree to be bound by and perform the same as thus modified.

9.5 **Cumulative Rights and Remedies.** Except as otherwise expressly provided herein, the rights and remedies provided for in this Agreement are cumulative and in addition to, and shall not restrict or limit, any other rights and remedies available under the applicable law.

9.6 **Governing Law; Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of Japan, and all issues of interpretation arising under this Agreement including, without limitation, issues with respect to capacity of the parties, execution and construction of this Agreement, the manner of performance under this Agreement, the validity of this Agreement and the rights and duties of the parties thereunder shall be decided in accordance with such law.

9.7 **Integration.** The agreements and documents to be executed in carrying out the terms of this Agreement including attached exhibits and the credit application executed by Vendor shall constitute the entire agreement between the parties pertaining to the subject matter contained in it/them and shall supersede all prior and contemporaneous agreements, representations, and understandings of the parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all of the parties hereto. No waiver of any other provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

9.8 **Costs and Fees.** If any legal action or any arbitration or other proceedings are brought for the interpretation or enforcement of this Agreement or any rights of the parties with regard to this Agreement, and/or any related agreement, or because of an alleged dispute, breach, or default, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which they might be entitled. This right for the recovery of fees and costs shall also extend to any actions for the enforcement of any statutory rights which may exist.

9.9 **Survival of Representations and Warranties.** All covenants and agreements contained herein or made pursuant hereto in connection with the transactions contemplated hereby shall survive the execution and delivery of this Agreement.

9.10 **Reasonable Actions.** The parties shall take such actions and execute and deliver such documents as may be reasonably necessary or appropriate and shall otherwise cooperate to effectuate the intention of this Agreement and the transactions provided for herein and within the time periods set forth herein. All parties have participated in the drafting of this Agreement and it shall not be strictly construed against any party.

9.11 **Descriptive Headings.** The descriptive headings of this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

9.12 **Counterparts.** This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

9.13 **Non-waiver.** No delay or omission on the part of CDS in exercising any rights under this Agreement, on default by Vendor, shall operate as a waiver of such right or of any other right under this Agreement or the Continuing Guaranty Agreement, if any, for this Agreement, for the same default or any other default.

NOW, THEREFORE, the vendor has executed this Agreement on the date set forth below.

“VENDOR”

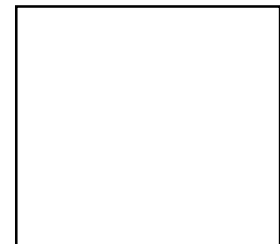
Company name: _____

Address: 〒 _____

Authorized Representative's Name: _____

Signature or Inkan: _____

Date: _____



Place "Inkan" seal above