

SUPPLY AGREEMENT

This Supply Agreement (this "Agreement") is made as of the 08 day of January, 2018 (the "Effective Date") by and between SAMANTHA R FREEMAN ("Supplier") located at 479 Breezewood Court, Alhambra, IL 62001 and CONNIE R BLEDSOE ("Buyer") located at 591 Virgil Street, Madison, FL 32340.

1. **Supply of Products.** Supplier shall supply to Buyer T-shirts (the "Products") in accordance with the specifications contained in the statement of work attached hereto as Exhibit A (the "SOW"). Buyer will make all reasonable efforts to provide clear instructions, documentation, and product specifications to Supplier. Buyer shall submit orders for the Products by submitting a purchase order to Supplier (the "Purchase Order") detailing the number of units of the Products to be supplied. Supplier must supply the Products in accordance with this Agreement, in compliance with applicable laws and regulation, and using generally accepted industry practice.

2. **Payment.** Supplier will be paid \$20.00 per unit for the number of units specified in each Purchase Order. Payment shall be made within seven (7) days from the date of each Purchase Order.

3. **Shipments.** The Products will be delivered by Supplier to Buyer on or before January 31, 2018 at the following address: 591 Virgil Street, Madison, FL 32340. The Products will be suitably packaged in accordance with the SOW. Buyer will pay for all freight, insurance and other shipping expenses. Title and risk of loss will pass to Buyer upon delivery of the Products. Supplier will use commercially reasonable efforts to deliver the Products on the agreed-upon delivery dates and notify Buyer of any anticipated delays.

4. **Product Acceptance.** The Products delivered by Supplier will be inspected and tested by Buyer within thirty (30) days of delivery. If the Products delivered do not comply with the specifications in the SOW and Purchase Order, Buyer has the right to reject the non-conforming Products. Products not rejected within thirty (30) days of delivery will be deemed to be accepted by Buyer. In the event any Products do not comply with the specifications in the SOW and are rejected by Buyer, Buyer may, at its option:

- Return for a replacement
- Return for a refund

5. **Warranties.** Supplier warrants that it will perform the SOW in a good, professional and workmanlike manner, and Supplier will promptly notify Buyer of any delay or defect in the supply of the Products. Supplier warrants that the Products will be supplied in compliance with the specifications in the SOW and in compliance with all governmental and environmental regulations. Supplier warrants that the Products will be free from substantive defects in workmanship for a period of thirty (30) days from the date of

shipment. The warranty does not apply to any Products that are damaged due to the misuse, abuse, alteration or negligence of any party other than Supplier. SUPPLIER MAKES NO OTHER REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

6. **Term.** This Agreement commences on the Effective Date and will remain in effect for five (5) years. This Agreement will terminate, unless the parties have mutually agreed in writing to renew it for an additional term.

7. **Termination.** Buyer and Supplier may at any time by mutual consent decide to terminate this Agreement pursuant to written and delivered notice to the other party. Buyer may terminate Supplier's rights to supply the Products for any reason on ninety (90) days' written notice of termination. Supplier retains the right at any time to terminate its obligations to supply the Products on one hundred twenty (120) days' written notice of termination. This Agreement also may be terminated automatically, without notice, (i) upon the institution by or against Buyer or Supplier of any insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of debts, (ii) upon Buyer or Supplier's making an assignment for the benefit of creditors, or (iii) upon Buyer or Supplier's dissolution.

8. **Default.** If either party should fail to perform its respective obligations under the terms of this Agreement, the other party will notify of the party that it is presumed to be in default and give reasonable recourse to cure the stated issue. The defaulting party will have the opportunity to cure the default within thirty (30) days of notice by the other party. In the event of a failure to cure a breach or default within the stipulated time, the other parties will have the right to terminate this Agreement immediately.

9. **Effect of Termination.** Upon the termination of this Agreement, the rights granted to Supplier pursuant to this Agreement will automatically terminate. All payments owing from Buyer to Supplier, or refunds due from Supplier, will become immediately due and payable, and legally enforceable, upon termination. Supplier will not make or retain any copies or samples of any confidential items or information which may have been entrusted to it.

10. **Insurance.** Buyer and Supplier agree to maintain appropriate insurance to adequately cover their respective risks under this Agreement, with coverage amounts commensurate with levels in their respective markets.

11. **Limitation of Liability.** In no event will either party be liable for costs, expenses, or damages in connection with this Agreement in excess of actual costs, expenses, damages, or provable and actual lost revenue.

12. **Force Majeure.** Neither party will be liable for the costs or expenses arising from any failure or delay in the performance of this Agreement that is due and attributable to causes beyond the control of either party, including but not limited to acts of God, weather, war, civil unrest, strikes, lockouts, destruction of production facilities, riots, insurrection, terrorist attacks, government regulatory actions, acts or decrees of governmental or military bodies, fire, casualty, flood, earthquake, or any other force majeure event, provided that the party has used commercially reasonable efforts to mitigate the effects of the cause. Supplier will not be liable for any delays in the normal production or interruption in the workflow process caused by changes to the specifications by.

13. **Amendments.** This Agreement may not be modified or amended except by a written agreement signed by all of the parties.

14. **Notices.** Any notice or communication under this Agreement must be in writing and sent via personal delivery, overnight courier service, or certified or registered mail, postage prepaid, return receipt requested and addressed to the to the address stated above or to another address as that party may subsequently designate by notice and shall be deemed given on the date of delivery.

15. **No Waiver.** No party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by any party of a breach or violation of any provision of this Agreement shall not constitute a waiver of any other subsequent breach or violation.

16. **Assignment.** The parties agree that their rights and obligations under this Agreement may not be transferred or assigned without the prior written consent of Buyer. Buyer may assign its rights and obligations under this Agreement without Supplier's consent.

17. **Successors and Assigns.** This Agreement shall be binding and inure to the benefit of the parties and their respective legal representatives, heirs, administrators, executors, successors and permitted assigns.

18. **Governing Law.** This Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to its conflicts of laws provisions.

19. **Disputes.** Any dispute arising from this Agreement shall be resolved through mediation.

20. **Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable part had not been included in this Agreement.

21. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together, shall constitute one and the same document.

22. **Headings.** The section headings herein are for reference purposes only and shall not otherwise affect the meaning, construction or interpretation of any provision of this Agreement.

23. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior negotiations, understandings and agreements.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

Buyer Signature

Connie R Bledsoe
Buyer Full Name

Supplier Signature

Samantha R Freeman
Supplier Full Name

Exhibit A

STATEMENT OF WORK

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GENERAL INSTRUCTIONS

WHAT IS A MANUFACTURING AND SUPPLY AGREEMENT?

A Manufacturing and Supply Agreement outlines the parameters of a business relationship between a distributor and their manufacturer or the supplier of their products. For example, your company designed their own product. In order to sell the product, you might partner with a manufacturer who could produce that product and supply it to your business so that you could distribute the items for sale. This agreement outlines all of the terms of this business partnership.

WHEN DO I NEED ONE?

If you work with a manufacturer and supplier, it's important to clearly define each party's responsibility in a legal contract. A Manufacturing and Supply Agreement should be used in any business partnership between a manufacturer / supplier and the distributor. If, for example, your company devises a new design or completely new product for the marketplace. Finding the right manufacturer and supplier is only part of the process. You'll also need to discuss the terms of this business agreement and create a legal contract stipulating each party's responsibility. Different industries will need various clauses.

THE CONSEQUENCES OF NOT HAVING ONE

Often companies look closely at these terms when the contract is drafted and signed. Then the contract is filed. Until there's a problem. The problem - business entities not meeting their contractual obligations, insolvency of one company in the agreement, or legal liability issues from consumers. All of these issues can pose a serious risk to your business. And all of these issues can be discussed within the agreement. If you've created a well thought out contract, there should be provisions for the worst case scenario to protect your company and investments. Without an agreement in place, there are virtually not protections from any of these scenarios. Your company may in fact be liable for manufacturer errors and your partner company's difficulties can possibly domino to impact your own.

THE MOST COMMON USES

A Manufacturing and Supply Agreement outlines particular responsibilities and courses of action such as when there is a dispute. These contracts become essential when there is a dispute. Often the contracts might stipulate a way that disputes should be settled and they will always include termination clauses to protect both parties in the event the partnership should need to dissolve.

In most cases, disputes can be solved through a process. Initially, officers of both companies might discuss the business situation to attempt to reach an agreement. If the companies cannot reach an agreement amicably, it might be stipulated that the matter goes to arbitration or it may be a matter for litigation.

WHAT SHOULD BE INCLUDED

Manufacturing and Supply Agreements include clauses that are specific to the business they're created to serve. However, there are some common uses for these contracts that are routinely included to protect businesses in the event of possible issues. Here are a few of the considerations when drafting your agreement:

- Terms of the Agreement
- Confidentiality and Proprietary Information
- Product Specifications
- Pricing
- Logistics
- Clauses for Acts of God
- Termination Clauses
- Liability

A manufacturing and supply agreement is essential for any company distributing products that were manufactured by a different entity. There are many possible stipulations your agreement can include to better protect your assets and aid you in addressing possible disputes in the future.