

## Marketing Agreement

POWER BUYING DEALERS WESTERN REGION, Inc. (PBD) is a marketing association the purpose of which is to enable all of its members (MEMBERS), to obtain the benefits of merchandising rebates, business allowances, and other benefits associated with volume purchasing. Through its regional subsidiaries, PBD coordinates marketing and merchandising efforts on behalf of the MEMBERS. The following is an outline of our method of operation and the agreement and understanding under which we are currently operating:

1. PBD will do the following:
  - 1.1 Coordinate merchandising and marketing efforts of all MEMBERS.
  - 1.2 Provide POP signage for our monthly marketing specials.
  - 1.3 Assist the MEMBERS in obtaining discounts and rebates, business allowances and other benefits, commonly obtained through volume purchasing.
  - 1.4 PBD will act as a liaison, through its purchasing agent (BUYER), between the MEMBERS and the various suppliers. BUYERS will negotiate on behalf of the MEMBERS to obtain the best prices and benefits commonly accorded to chain store accounts. The ultimate goal of PBD is to obtain for the MEMBERS the best prices and rebates for the merchandise, which the MEMBERS commonly sell in their operations.
  - 1.5 PBD will coordinate programs, promotions, product offerings and other marketing, sales and merchandising events with Mobil Oil Corporation (Mobil) on the national level through PBD USA headquarters; and on the local and regional level through its regional subsidiary corporation.
2. The responsibilities of BUYERS and PBD Advisory Board will be as follows:
  - 2.1 During the first week of the month BUYER will hold a sales meeting with suppliers. During this meeting the best benefit possible will be obtained from each supplier for the following month. With the information obtained through the negotiations with the suppliers, BUYERS will determine what specials to offer to the MEMBERS in the coming month. At all times the national calendar will be consulted so that all national specials can be enhanced at the local level. At this time the information for the next month's specials will be conveyed to the marketing department for communication to the MEMBERS.
  - 2.2 Monthly mailings will be prepared and distributed by PBD marketing. DEAL SHEETS explaining what merchandising rebates have been negotiated on specific products and FYI SHEETS explaining business allowances and what level of profits are available to MEMBERS will be mailed by PBD.
  - 2.3 An Advisory Board (Board) is selected from the general membership. The MEMBERS on the Board will serve for a term of one year.
  - 2.4 The BOARD works with the BUYER and officers of PBD to verify the accuracy of the accounting and dispersal of MEMBER funds and to validate incentive programs proposed to PBD.
3. Upon execution of the MARKETING AGREEMENT, the UNDERSIGNED becomes an association member and herein authorizes PBD to provide the above described services to the undersigned MEMBER. The services will be provided under the following conditions, and subject to the following restrictions and understandings:
  - 3.1 UNDERSIGNED acknowledges that the BUYER, Officers, and Shareholders of PBD, BOARD and Field Merchandising Consultants (M/C) are providing a service intended to secure the maximum merchandising benefits to MEMBERS.
  - 3.2 UNDERSIGNED herein authorizes and appoints PBD to serve as agent and representative, and to accept funding on his/her behalf. Accrued funds will be dispersed quarterly, 45 days after quarter's end, or, upon receipt of the payments from the manufacturers and vendors.

- 3.3 UNDERSIGNED acknowledges that neither the BUYER, Executive Committee, Officers and Shareholders of PBD, BOARD, M/C's, PBD, their advisors, is acting in any capacity other than merchandising consultant. None of the above are acting as guarantors of any MEMBER'S credit, and none of the above will become actively involved in negotiating credit terms for any particular MEMBER. All matters of credit and financing are the sole and exclusive responsibility of the individual MEMBERS involved.
- 3.4 UNDERSIGNED does, by the execution hereof, waive, release, and forever discharge the BUYER, EC, Officers and Shareholders of PBD, BOARD, M/C's, PBD, their advisors and other MEMBERS from and against all claims arising out of UNDERSIGNED'S failure to pay any vendor or supplier and will indemnify and hold them harmless from and against all claims of any vendor or supplier provided, pursuant to the efforts of PBD.
- 3.5 UNDERSIGNED further agrees to indemnify and hold harmless, protect and even defend the BUYER, EC, Officers and Shareholders of PBD, BOARD, MC's, PBD and MEMBERS from and against all claims arising out of the use, location, design and/or placement of any merchandising aid provided, pursuant to the terms of this agreement.
- 3.6 UNDERSIGNED acknowledges that operation and administrative costs of PBD will be paid from brokerage and management funds obtained from suppliers.
- 3.7 UNDERSIGNED herein agrees to grant approval of the deduction according to the following schedule:

<u>Example Rebate</u> <u>Amount</u>	<u>Administrative Fee</u> <u>Amount</u>		<u>Example Rebate</u> <u>Amount</u>	<u>Administrative Fee</u> <u>Amount</u>
\$500.00	\$50.00		\$2,500.00	\$137.50
\$1,000.00	\$100.00		\$3,000.00	\$150.00
\$1,500.00	\$112.50		\$4,000.00	\$175.00
\$2,000.00	\$125.00		\$5,000.00	\$200.00

Formula: 10% of the first \$1,000.00 of Rebate  
 2.5% of all additional Rebates over the first \$1,000.00

Method of Calculation: Example Fee based on Rebate of \$1,500.00:  
 $\$1,000.00 \times 10\% = \$100.00$   
 $+\$ 500.00 \times 2.5\% = \$ 12.50$   
 $\$1,500.00 = \$112.50$  Administrative fee

each quarter to PBD to help fund the operation of PBD. The fee will be automatically calculated by the computer and noted on the quarterly PBD rebate check.

- 4. The parties hereto acknowledge that either party may terminate membership in PBD at any time, by written notice of termination, mailed to the other party.
- 5. The nature of business to be conducted will be organized under the General Corporate Law of the State of Delaware.

PBD Western Region, Inc. (PBD West)

\_\_\_\_\_  
 Charles Khalil, President

I have read the above agreement and expressly consent to each and every term thereof.

\_\_\_\_\_  
 Exxon / Mobil Member

\_\_\_\_/\_\_\_\_/\_\_\_\_  
 Date

\_\_\_\_\_  
 PBD West Marketing Representative

\_\_\_\_/\_\_\_\_/\_\_\_\_  
 Date