

Retailer Agreement Form

The purpose of this Agreement is to facilitate the sale of goods between you (Retailer) and The Toy Closet, Inc. dba Toy Closet Parties (Company).

Terms:

In executing this agreement, Retailer warrants to Company that Retailer will resell merchandise purchased from Company in a manner that strictly complies with all applicable laws, including the collection and remittance of any legally required taxes and fees, including sales tax.

Furthermore, Retailer agrees to indemnify Company for all damages and expenses that may accrue to Company as a result of Retailer's failure to comply with such laws. Retailer further warrants that there is no relationship, contractual or otherwise, between Retailer and any other third party that may give rise to a cause of action as a result of transactions conducted pursuant to this agreement. Company agrees to sell to Retailer products listed on the ToyClosetNYC.com (TCNYC) website the web address of which is www.ToyClosetNYC.com. Company makes no guarantee as to the availability of any merchandise whether listed on the TCNYC website or otherwise.

Company and Retailer agree that Retailer will pay an amount equal to sixty percent (60%) of the retail price of merchandise indicated on the ITMP website (site) plus any applicable taxes and shipping fees. The parties further agree that the product prices listed on the site are subject to change at any time at the sole discretion of the Company. The parties further agree that the products offered on the site are subject to change at any time at the sole discretion of the Company.

Company and Retailer agree that at such time as Retailer has purchased two-thousand-five-hundred dollars (\$2,500) in wholesale goods, Retailer becomes eligible to purchase goods from Company at Preferred Customer pricing. Preferred Customer pricing is determined by the Company and is subject to change at any time at the sole discretion of the Company.

Company and Retailer agree that while this agreement remains in force, Retailer may use the Toy Closet Parties name, logo, website, and other promotional materials including, but not limited to: catalogs, brochures, signs, and electronic media ONLY for the purpose of selling products purchased from Company. Company and Retailer further agree that all aforementioned properties are the exclusive property of the Company. Retailer may not use any properties of the Company in the furtherance of any purpose not in accordance with this Agreement. Retailer may not use Company properties to advertise or sell goods on E-bay, Amazon.com, or any similar mass marketing website.

Return Policy

All sales are final. ONLY items with a manufacturing defect may be returned to Company. Furthermore, Company must receive such merchandise within 30 days of the date of the invoice on which Retailer was billed for aforementioned item.

Where an item is returned to Company in accordance with the above terms and conditions and, in the sole discretion of Company, a manufacturing defect is present in the item returned, Company will, within a reasonable time, deliver to Retailer a replacement for the returned item.

Where an item is returned to Company and is found, in the sole discretion of Company, to be free of manufacturing defects, Company will notify Retailer of such finding and the item will be returned to Retailer within a reasonable time at Retailer's expense.

Where an item that has been returned to Company appears, in the sole discretion of Company, to have

been intentionally damaged in an attempt to defraud Company, Company will notify Retailer of such finding and the item will be returned to Retailer at Retailer's expense.

In all cases where an item is to be returned to Retailer it is the responsibility of Retailer to arrange payment of shipping costs, within 30 days of the notice of finding, for the return of the item to Retailer.

Where Retailer fails to make payment of shipping costs within the allotted time, the item will be deemed to have been abandoned by Retailer and Company shall be entitled to discard the item and bear no further responsibility for either the return or safekeeping of such item.

Drop Shipping

The nature of shipping services provided under this section of the Agreement is as follows: Company shall ship merchandise sold to Retailer by Company to third parties at the direction of Retailer.

Terms

Company and Retailer agree that Company will receive, as an earned fee, a dollar amount equal to \$3 (standard drop shipping fee).

Company and Retailer agree that the retail value of all merchandise is the dollar value assigned to it on Company's Invoice to Retailer.

Company and Retailer agree that Company shall purchase Delivery Confirmation for all orders shipped under this agreement and will provide Delivery Confirmation information to Retailer upon request. Company will purchase insurance for any delivery upon request of Retailer for an additional fee equal to the cost of said insurance. Company and Retailer agree that Retailer bears all risk of loss for all merchandise shipped under the terms of this agreement. Company and Retailer further agree that Retailer bears responsibility for return postage where an item shipped by Company is to be returned by a third party for any reason. Where a returned item is to be replaced for any reason, Retailer will pay the standard drop-shipping fee to Company.

Payment Processing

The purpose of this section of the Agreement is to facilitate the processing of credit card payments tendered to Retailer by third parties.

Terms

Company and Retailer agree that Company will retain, as an earned fee, a dollar amount equal to 2.5% of all payments to Retailer that are processed through Company's account.

Company and Retailer agree that Company shall retain all monies processed by Retailer through Company's account in full or partial satisfaction of any debts owed by Retailer to Company including, but not limited to: unpaid invoices, partially paid invoices, drop shipping fees, etc. Company and Retailer further acknowledge that no monies so processed will be paid to the Retailer.

Company and Retailer agree that Company bears no responsibility for payments from third parties to Retailer where payment has been declined by a third party credit card processing company.

Company and Retailer agree that Retailer shall indemnify Company for all losses arising from disputed charges submitted by Retailer.

Company and Retailer agree that either party to this agreement may terminate this agreement at any

time. Ex: Credible allegations of illegal conduct on the part of Retailer in connection with the services contemplated under the terms of this agreement will result in immediate termination of this agreement and such allegations will be reported to appropriate law enforcement agencies.

Pursuant to this agreement Company will provide to Retailer a user identification (user ID) and login password (password), which will allow Retailer to enter third party credit card information for the purpose of processing payments through Company's account. Retailer acknowledges that the provided user ID and password are not transferrable and may not be used by any third party, assignee, or agent of Retailer.

Retailer agrees to maintain the confidentiality of the provided user ID and password. Retailer further agrees to report immediately to Company any compromise of the confidentiality of the user ID or password. Retailer acknowledges that Retailer bears sole responsibility for all activity relating to the use of the user ID and password.

Retailer agrees to indemnify Company for all damages and criminal liability that arise as a result of Retailer's use of the services provided for in this agreement including, but not limited to: legal expenses, civil liabilities and criminal penalties.

Retailer acknowledges that any act of bad faith on the part of Retailer, including but not limited to: knowingly sharing user ID or password with a third party, use of credit card processing services for purposes not in the furtherance of business activities between Company and Retailer, use of credit card processing services in the furtherance of any criminal enterprise will serve to terminate this agreement.

Webpage Services

The webpage services offered to Retailer by Company are maintained and operated by a third party service provider, therefore Retailer agrees to hold Company harmless for any lapse in webpage services capability that may occur.

The initial \$30 fee paid to Company by Retailer in connection with webpage services is purely for initial set up services provided by Company at the time of the publication of Retailer's page and entitles Retailer to use of said page for a period of one year. Should Retailer desire to alter the page at any time within that year, Retailer may do so.

The \$20 annual fee paid by Retailer to Company is deemed to be compensation for the ongoing maintenance and update of Retailer's page and does not entitle Retailer to alter the page.

Should Company or Retailer terminate this Agreement at any time, Retailer is not entitled to any refund of webpage services fees paid.

General Provisions

Company and Retailer agree that any dispute arising under this agreement will be subject to the laws of Nassau County, New York. Company and Retailer further agree that the proper venue for any dispute arising under this agreement shall be located in Nassau County, New York.

Company and Retailer agree that either party to this agreement may terminate this agreement at any time. Company and Retailer agree that goods sold by Company to Retailer are sold for novelty purposes only and that Retailer agrees that Company bears no responsibility for damages arising from the use or misuse of such goods either by Retailer or any third party.

Company and Retailer agree that this Retailer Agreement Form represents the

entire agreement between Company and Retailer and that no other warranties or representations apply. Company and Retailer agree that should any portion of this Agreement be found by a court of competent jurisdiction to be unenforceable, the remainder of this Agreement shall survive such finding and remain legally binding.

Accepted by _____ (Retailer)

Print Name _____

Driver License/State ID _____

(Attach a copy of ID)

Date _____

Accepted by _____ (Company)

Date _____