



RES. NO. _____

**MERLIN ROADSTER
MERLIN COUPE
RESERVATION CONFIRMATION AND DEPOSIT RECEIPT**

Corbin Motors ("CORBIN") acknowledges receipt of the sum of Thirty Thousand Dollars (\$30,000.00) from _____ ("CUSTOMER"), consisting of a series of Thirty (30) One Thousand Dollars (\$1,000.00) deposits toward the purchase of Thirty (30) Corbin Merlin Vehicles ("MERLIN"). An additional secondary deposit of Ten Thousand Dollars for each MERLIN ROADSTER is required at the time each reserved MERLIN ROADSTER is scheduled to be built. The balance is to be paid when the MERLIN ROADSTER is delivered to the CUSTOMER. The parties further agree as follows:

1. CORBIN is currently engineering, developing and testing the MERLIN ROADSTER and MERLIN COUPE at its manufacturing facilities in Hollister, CA and expects production to begin production of the MERLIN ROADSTER the first half of 2002 and the MERLIN COUPE the second half of 2002. Reservations for the purchase of the MERLIN ROADSTER are generally made numerically on a first come, first served basis, beginning with the number 201. Your reservation number is set forth above, which number applies to your first MERLIN purchased. The remaining Twenty Nine (29) MERLINS will not necessarily be assigned reservation numbers which immediately follow your initial number. Production of the MERLIN ROADSTER is anticipated to begin early 2002, and delivery is expected within four (4) months after the commencement of production. Production of the MERLIN COUPE is anticipated to begin the second half of 2002. However, Corbin estimates that your remaining MERLINS will in any event be available for delivery and purchase by you within Twelve (12) months after your first purchase.

2. The estimated dealer cost of the base model MERLIN ROADSTER is Nineteen Thousand Nine Hundred Dollars (\$19,900.00), and the estimated retail selling price is Twenty Three Thousand Nine Hundred Dollars (\$23,900.00). The estimated dealer cost of the MERLIN COUPE is Fifteen Thousand Four Hundred Dollars (\$15,400), and the estimated retail selling price is Eighteen Thousand Nine Hundred Dollars (\$18,900.00) However, CUSTOMER acknowledges and understands that the actual dealer cost and/or selling price may be more or less than the estimate. The parties acknowledge and understand that the dealer cost of the MERLIN represents a bona fide wholesale price for the MERLIN, considering cost of production, quality, consumer acceptance, and other factors.

3. The deposit is only refundable with respect to any MERLIN that is not actually delivered to Customer by December 31, 2003. In the event that CUSTOMER wishes to have such deposit refunded, CUSTOMER shall notify CORBIN in writing at the address set forth below. CORBIN agrees to and shall refund the deposit, without interest, to CUSTOMER at the address set forth below within Seven (7) days of CORBIN's receipt of the written notice. If, however, CUSTOMER has signed an authorized dealer agreement with CORBIN for the MERLIN, CUSTOMER acknowledges and agrees that the refund of CUSTOMER's deposit shall automatically terminate any such agreement, and all rights of CUSTOMER thereunder, immediately without separate notice.

4. CORBIN will notify CUSTOMER at the address set forth below at such time as each MERLIN shall become available for purchase in accordance with CUSTOMER's reservation numbers. If CUSTOMER does not respond within Seven (7) days from receipt of such notice, CORBIN may proceed with sale of the MERLIN to a party whose reservation number follows that of CUSTOMER, in which case CORBIN shall immediately refund CUSTOMER's deposit. If Customer accepts and pays for some, but not all, of the MERLIN reserved hereunder, Corbin may, in its sole discretion, either: (i) terminate any dealer Agreement with Customer, and refund Customer's deposit with respect to the MERLIN not purchased, or (ii) agree to the continuation of any such dealer agreement, in which case Customer's deposit will be forfeited as liquidated damages for those MERLIN not purchased by Customer. The actual purchase of the MERLIN by CUSTOMER shall be at such price as is established by CORBIN at the time of the purchase. In the event that CUSTOMER elects to proceed with purchase of a MERLIN, the deposit shall be fully applied toward the purchase price.

5. Within sixty (60) days from the execution date of this reservation, Customer agrees to and shall submit to such financial institution as Corbin shall reasonably select, such documentation and financial information as may be necessary or required to apply for and obtain adequate floor financing for the MERLIN, and shall, within One Hundred Twenty (120) days from the execution date of this reservation: (i) deliver to Corbin a fully-executed standard MERLIN Dealer Agreement; and (ii) provide Corbin with satisfactory evidence that such floor financing

has in fact been approved and secured.

Customer would like to receive _____ number of MERLIN ROADSTERS per month for the first six months of production and _____ number of MERLIN ROADSTERS per month for the second six months of production. Customer would like to receive _____ number of MERLIN COUPES per month for the first six months of production and _____ number of MERLIN COUPES per month for the second six months of production.

6. Corbin has not granted to Customer under this Agreement any right to use or display any service mark, trademark, logo, advertising or other commercial symbol of Corbin, including, but not limited to the name "MERLIN", and any such use or display by Customer is strictly prohibited. Customer shall not communicate to purchasers of the MERLIN any service mark, trademark, logo, advertising, or other commercial symbol of Corbin or state or imply to any such party that Customer is in any way affiliated with Corbin.

7. It is further understood and agreed by the parties that this Agreement does not create a fiduciary relationship between them, that Corbin and Customer are independent contractors, and that nothing contained in this Agreement is intended to make either party an agent, joint venturer, partner, franchisee or franchiser or employee or employer of the other for any purpose. Customer shall conspicuously identify itself in all dealings with its customers, suppliers, public officials, and others as a Corbin distributor only, and shall place such other notices of independent ownership on such forms, business cards, stationary, advertising materials, other materials and business premises as Corbin may require from time to time.

8. This document does not constitute an offer to sell the MERLIN reserved hereunder. Accordingly, CORBIN may cancel this reservation at any time upon written notice to CUSTOMER, together with refund of CUSTOMER's deposit.

9. The terms of this document are expressly made subject to the provisions of CORBIN's standard form dealer agreement, which agreement may impose limitations on the maximum prices for which CUSTOMER may resell MERLIN. In the event that any term, condition or provision of said dealer agreement is inconsistent with any of the provisions of this document, the dealer agreement shall prevail.

10. CUSTOMER represents and warrants to CORBIN as follows: CUSTOMER owns and operates the motor vehicle retail business known as _____ located at _____ which sells the following product lines _____ (referred to herein as "the Existing Business"). CUSTOMER has owned and operated the Existing Business continuously for more than 24 months prior to the execution of this document. The MERLIN vehicles and services that CUSTOMER may sell, subject to execution of a dealership agreement with CORBIN, are substantially similar to or related to the product and services currently offered and sold by the Existing Business. Sales of MERLIN vehicles and service by CUSTOMER will be ancillary to the operation of the Existing Business and CUSTOMER will not be acquiring or developing new facilities to sell or service the MERLIN vehicles. CUSTOMER's current annual sales volume for all products and services through the Existing Business is approximately \$_____. CUSTOMER and CORBIN hereby confirm that they anticipate annual sales of the MERLIN vehicles and services by CUSTOMER will be less than 20% of CUSTOMER's sales in dollar volume of all products and services sold at the Existing Business on an annual basis.

_____ (signature) Date: _____

_____ (printed name)

_____ (company name)

_____ (address) _____ (Email)

_____ (phone) _____ (fax)

Corbin Motors

BY _____ Date: _____

Title: _____

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