



RES. NO. _____

SPARROW II
RESERVATION CONFIRMATION AND DEPOSIT RECEIPT

Corbin Motors, Inc. ("CORBIN") acknowledges receipt of the sum of Twenty Thousand Dollars (\$20,000.00) from _____ ("CUSTOMER"), consisting of a series of Twenty (20) One Thousand Dollars (\$1,000.00) deposits toward the purchase of Twenty (20) CORBIN SPARROW II Vehicles ("SPARROW II"). The parties further agree as follows:

1. CORBIN is currently in limited production of the Sparrow I. SPARROW II high volume epoxy tooling has begun. SPARROW II full production is estimated to begin first half of 2002. Reservations for the purchase of the SPARROW II are generally made numerically on a first come, first served basis, beginning with the number 11. Your reservation number is set forth above, which number applies to your first SPARROW II purchased. The remaining Nineteen (19) SPARROW IIs will not necessarily be assigned reservation numbers which immediately follow your initial number. CORBIN estimates that your first SPARROW II will be available within Nine (9) months from the date of this reservation and that your remaining SPARROWS will 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 SPARROW II is Thirteen Thousand Six Hundred Dollars (\$13,600.00), and the estimated retail selling price is Sixteen Thousand Nine Hundred Dollars (\$16,900.00). 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 SPARROW II represents a bona fide wholesale price for the SPARROW II, considering cost of production, quality, consumer acceptance, and other factors.

3. The deposit is only refundable with respect to any SPARROW II that is not actually delivered to CUSTOMER by June 30, 2003. In the event that CUSTOMER wishes to have such deposit refunded for any such item, 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 SPARROW II, 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 SPARROW II 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 SPARROW II to another party in which case one of the customer's deposits shall be forfeited as liquidated damages. If CUSTOMER accepts and pays for some, but not all, of the SPARROW IIs 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 SPARROW IIs 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 SPARROW IIs not purchased by CUSTOMER. The actual purchase of the SPARROW II 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 the purchase of a SPARROW II, the deposit shall be fully applied toward the purchase price.

5. At such time as may be required by CORBIN, 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 SPARROWS, and shall, within the time period prescribed by CORBIN thereafter provide CORBIN with satisfactory evidence that such floor financing has in fact been approved and secured. Within Sixty (60) days from the date of this Reservation Confirmation and Deposit Receipt, CUSTOMER agrees to deliver to CORBIN a fully-executed standard SPARROW II Dealer Agreement.

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 "SPARROW", and any such use or display by CUSTOMER is strictly prohibited. CUSTOMER shall not communicate to purchasers of the SPARROW 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 SPARROW IIs 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 SPARROW IIs. 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 has owned and operated the motor vehicle retail business known as _____ located at _____ continuously since _____.

One or more of the following, as indicated, applies to CUSTOMER:

CUSTOMER is a corporation or other business entity with total assets in excess of Five Million Dollars (\$5,000,000.00).

CUSTOMER is a natural person whose individual net worth, or joint net worth with CUSTOMER's spouse, exceeds One Million Dollars (\$1,000,000.00).

CUSTOMER is a natural person who had an annual income in excess of Two Hundred Thousand Dollars (\$200,000.00) in each of the two most recent years or joint income with CUSTOMER's spouse in excess of Three Hundred Thousand Dollars (\$300,000.00) in each of those years and has a reasonable expectation of reaching the same income level in the current year.

CUSTOMER agrees to provide to CORBIN if requested financial statements or other evidence supporting the above representations and warranties. CUSTOMER represents and warrants that any financial statement or evidence provided shall be true and correct and that no material negative changes have occurred since the date of the financial statement or evidence that would make any of the above representations and warranties inaccurate.

_____(signature) Date: _____
_____(printed name)
_____(company name)
_____(address)
_____(phone) _____(fax) _____(Email)

Corbin Motors, Inc.

BY _____

Date: _____

Title: _____

2350 Technology Parkway

Hollister, CA 95023

(831) 635-1033 (phone), (831) 635-1039 (fax)

www.corbinmotors.com