

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is entered into as of the date at the bottom of the agreement, by and among the Buyer (the "Buyer"), and the Seller (the "Seller") (hereinafter collectively "Parties" and each individually, a "Party"), and TrustedXChange LLC, a Delaware corporation (hereinafter "TGX" or "Escrow Agent")

WHEREAS, Buyer wishes to buy and Seller wishes to sell the following firearm described as _____ (the "Firearm") utilizing the TGX website, TrustedGunExchange.com (the "Website"); and

WHEREAS, the Parties have agreed, pursuant to the TGX User Agreements (hereinafter "UA") that each Party has executed, that the Buyer shall deposit into escrow a total of _____ and the Seller shall deposit into escrow a total of \$0 (the "Escrowed Funds") for the Firearm transaction. The Escrowed Funds shall be held in escrow pursuant to the terms of this Escrow Agreement; and

WHEREAS, in accordance with the provisions of this Escrow Agreement, TGX is designated to act as Escrow Agent for the parties hereto under the terms of this Escrow Agreement, and pursuant to the terms of the UA, the pertinent provisions of which are incorporated herein by reference.

NOW, THEREFORE, in consideration of the premises herein, the Borrower and the Escrow Agent agree as follows:

TERMS AND CONDITIONS

1. The Buyer and Seller hereby appoint the Escrow Agent as its escrow agent for the purposes set forth herein, and the Escrow Agent hereby accepts such appointment under the terms and conditions set forth herein.

2. Pursuant to the terms hereof, the Buyer hereby deposits, transfers and delivers all of the Escrowed Funds to the Escrow Agent allocated for the purchase price, shipping cost and transfer fees for the Firearm. Thereafter, the Escrow Agent shall hold the Escrowed Funds pursuant to the terms of this Escrow Agreement and the UA. If the Firearm relates to a transaction involving a firearm that falls within the purview of the National Firearms Act (NFA), the Buyer will deposit at the time of initiating the transaction 100% of the asking price by the Seller.

3. The Escrow Agent agrees to receive and hold in escrow the Escrowed Funds pursuant to the terms of this Escrow Agreement and to perform the acts and duties imposed upon it under the terms and conditions of both this Escrow Agreement and the UA. The Escrow Agent shall not be obligated to keep the Escrowed Funds in an interest-bearing account, but shall retain same in the "TGX Trust Account" maintained at United Bank of Atmore (the "Escrow Bank") until released pursuant to this Escrow Agreement.

DISBURSEMENT OF ESCROWED FUNDS

4. The time period necessary for the disbursement of funds held in escrow is contingent upon the type of Firearm being transferred. Firearms not regulated by the National Firearms Act (NFA) may be shipped upon the Parties performing their respective obligations under the agreement. Firearms regulated by the National Firearms Act (NFA) must first be approved by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) before they can be shipped. The approval by ATF can take as long as twelve (12) months.

5. Upon notification by TGX that the Buyer has performed its pre-sale obligations under this agreement as well as the UA, the Seller shall have six (6) days to send the Firearm to the Buyer's Federally Licensed Firearm Dealer ("FFL"), using the pre-paid shipping label provided by TGX.

6. If the Seller does not ship the Firearm after the Buyer has performed its pre-sale obligations under this agreement as well as the UA, the transaction will be void and the Buyer's funds will be returned to them without any penalty.

7. Upon receipt of the Firearm by the Buyer's FFL, notice to the Buyer and prior to the Buyer taking possession of the Firearm, the Buyer shall have six (6) days to inspect and confirm that the Firearm matches the listing on the Website.

8. The opportunity to raise a dispute shall expire six (6) days from the date the Firearm was received by the Buyer's FFL, when the Firearm is transferred from the FFL to the Buyer or if the Buyer is unable to take possession of the Firearm due to a denial from the National Instant Criminal Background Check System (NICS).

9. If Buyer elects to dispute the transaction within the six (6) day inspection period, the Buyer shall provide Escrow Agent with a description of the reasons for the dispute as well as detailed photographs supporting the dispute within the prescribed inspection period.

10. Upon receipt of the dispute materials from the Buyer, Escrow Agent shall conduct an investigation of the claims raised by the Buyer. In making its decision, Escrow Agent will also consult with the Seller and afford the Seller an opportunity to present a description and photographs in support of Seller's position. The Escrow Agent will compare any support documentation by both the Buyer and Seller to the original published listing for any discrepancies between the original published listing photographs and description and new documentation submitted for the dispute. Escrow Agent shall have the right to inquire with outside sources as may be appropriate or necessary and then render a decision in the sole discretion of the Escrow Agent. TGX will issue a formal decision regarding the dispute within 30 days of collecting all necessary evidence. If the Buyer does not provide detailed information and photo documentation of the issues on the Firearm leading to the dispute, then the Escrow Agent will be unable to substantiate any claims made by the Buyer as it relates to the transaction and will make a decision on the dispute based on all supporting documentation at the time of the decision. .

11. Upon the Escrow Agent rendering a decision in favor of the Buyer, the Seller must provide funds to TGX to issue a pre-paid label to ship the Firearm back to the FFL of Seller's choice and all Buyer's Escrowed Funds will be returned to the Buyer upon verification

that the firearm has been returned to the Seller in the same condition as shipped. The Firearm will remain at the FFL where the Buyer initiated the dispute until the Seller provides funds to TGX to ship the Firearm back to the Seller's chosen FFL. If the Seller does not provide the funds within a 30 day period after the arbitration decision date, the Seller will be charged an administrative fee of \$10 per day as a storage fee until the Seller pays for the return label of the Firearm. If the Seller does not pay for the return pre-paid label to TGX after 60 days, then TGX and the FFL holding the firearm will consider the Firearm abandoned and eligible to be resold by the holding FFL with revenue-share with TGX.

12. If the dispute relates to a transaction involving a Firearm that falls within the purview of the National Firearms Act (NFA), the Buyer must view the firearm after it arrives at the Class III FFL SOT holder. After review at the FFL, and the Firearm is "as advertised," then the Buyer will submit the ATF Form 4 provided to him/her/them by TGX. The full amount of the transaction will be held in the custody of TGX until the Buyer's ATF Form 4 submission is approved. If during the inspection at the FFL the Firearm is "not as advertised," then the Buyer can initiate a dispute that will begin the arbitration proceedings as discussed in sections 8, 9, 10 and 11. The approved transfer form from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) will be voided prior to the Firearm being returned to the Seller.

13. Upon the Escrow Agent rendering a decision in favor of the Seller, the Buyer's Escrowed Funds will be disbursed to the Seller.

PROVISIONS CONCERNING ESCROW AGENT

14. The Escrow Agent shall, for all purposes of this Escrow Agreement, be treated as and considered legally as custodian. The Escrow Agent shall be entitled to rely, and shall be protected in acting or refraining from acting, upon any instruction, document or instrument furnished to it hereunder and believed by it to be genuine and believed by it to have been signed or presented by Buyer or Seller. Nothing herein contained shall be deemed to impose upon the Escrow Agent any duty to exercise discretion, it being the intention hereof that the Escrow Agent shall not be obligated to act except upon written instructions or direction. The Escrow Agent shall not be liable for any action (or refraining from any action) taken by it in good faith and believed by it to be authorized or within the rights or powers conferred upon it in this Escrow Agreement or the UA. The Escrow Agent may consult with counsel of its choice and shall be fully protected and indemnified in acting or refraining to act in good faith in accordance with the opinion of such counsel.

15. The Escrow Agent shall be entitled to compensation for its services performed hereunder as described in the UA.

16. The Escrow Agent shall in no event be deemed to be a fiduciary to Borrower or any other person or entity under this Escrow Agreement. The permissive rights of the Escrow Agent to do things enumerated in this Escrow Agreement shall not be construed as duties. In performing its duties under this Escrow Agreement, or upon the claimed failure to perform its duties, the Escrow Agent shall not be liable for any damages, losses or expenses other than damages, losses or expenses which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Escrow Agent's willful misconduct or

gross negligence. In no event shall the Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. The Escrow Agent shall not be responsible or liable for the failure of either party to comply with all applicable State and Federal laws and regulations concerning Firearms. Any wire transfers of funds made by the Escrow Agent pursuant to this Escrow Agreement will be made subject to and in accordance with the Escrow Agent's usual and ordinary wire transfer procedures in effect from time to time. The Escrow Agent shall have no liability with respect to the transfer or distribution of any funds affected by the Escrow Agent pursuant to wiring or transfer instructions provided to the Escrow Agent in accordance with the provisions of this Escrow Agreement. The Escrow Agent shall not be obligated to take any legal action or to commence any proceedings in connection with this Escrow Agreement or any property held hereunder or to appear in, prosecute or defend in any such legal action or proceedings. It shall be the Escrow Agent's responsibility for the safekeeping of the Escrowed Funds, the disbursement and delivery of such Escrowed Funds in accordance with this Escrow Agreement, and the Escrow Agent shall not be required to take any other action with reference to any matters which might arise in connection with the Escrowed Funds or this Escrow Agreement.

17. Buyer and Seller agree to indemnify, defend and hold harmless the Escrow Agent and each of the Escrow Agent's officers, directors, agents and employees (the "Indemnified Parties") from and against any and all losses, liabilities, claims made by either party or any other person or entity, damages, expenses and costs (including, without limitation, attorneys' fees and expenses) of every nature whatsoever (collectively, "Losses") which any such Indemnified Party may incur and which arise directly or indirectly from this Escrow Agreement or which arise directly or indirectly by virtue of the Escrow Agent's undertaking to serve as Escrow Agent hereunder; provided, however, that no Indemnified Party shall be entitled to indemnity with respect to Losses that have been finally adjudicated by a court of competent jurisdiction to have been directly caused by such Indemnified Party's gross negligence or willful misconduct. The provisions of this section shall survive the termination of this Escrow Agreement and any resignation or removal of the Escrow Agent.

18. If any disagreement arises among Buyer and Seller with respect to this Escrow Agreement or the Escrowed Funds, the Escrow Agent, upon notice to the parties, shall have the right to retain the Escrowed Funds until the Escrow Agent shall have received (i) a non-appealable order of a court of competent jurisdiction directing delivery of the Escrowed Funds, or (ii) a written agreement executed by Buyer and Seller directing delivery of the Escrowed Funds, in which event the Escrow Agent shall disburse the Escrowed Funds in accordance with such order or agreement. Any court order shall be accompanied by a legal opinion by counsel for the presenting party reasonably satisfactory to the Escrow Agent to the effect that the order is final and non-appealable. The Escrow Agent shall act on such court order and legal opinion without further question. The Escrow Agent may also, at any time, file a suit in interpleader and obtain an order from a court of appropriate jurisdiction, requiring all persons involved to litigate in such court their respective claims arising out of or in connection with the Escrowed Funds. Upon filing a suit in interpleader and obtaining such an order, the Escrow Agent shall have no further obligations or liabilities to any other party hereto.

19. Amendment. No amendment or modification of this Escrow Agreement shall be effective unless in writing and signed by the parties. This Escrow Agreement may not be terminated except in a written document signed by the parties.

20. Parties in Interest. This Escrow Agreement shall bind, benefit, and be enforceable by and against each party hereto and their successors, assigns, heirs, administrators and personal representatives. No party shall in any manner assign any of its rights or obligations under this Escrow Agreement without the express prior written consent of the other parties.

21. No Waivers. No waiver with respect to this Escrow Agreement shall be enforceable unless in writing and signed by the party against whom enforcement is sought. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between or among any of the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, the same or any other right, power or remedy.

22. Severability. If any provision of this Escrow Agreement is construed to be invalid, illegal or unenforceable, then the remaining provisions hereof shall not be affected thereby and shall be enforceable without regard thereto.

23. Choice of Law. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

24. Miscellaneous.

- a. All notices and communications hereunder shall be in writing and shall be deemed to be duly given if delivered in accordance with the notice requirements set forth in the UA.
- b. This Escrow Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.
- c. All capitalized terms used in this Escrow Agreement which are not otherwise defined herein shall have the meaning assigned to them in the UA unless the context hereof otherwise requires.

IN WITNESS WHEREOF, the parties have signed this Escrow Agreement as of

_____.

Signed: _____