



# MASTER DISTRIBUTOR AGREEMENT

IN MAKING ANY PURCHASE DECISION, MASTER DISTRIBUTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON (S) OR ENTITY INVOLVED IN THIS BUSINESS RELATIONSHIP AND THE TERMS CONTAINED HEREIN, INCLUDING THE MERITS AND RISKS INVOLVED. IT IS RECOMMENDED FROM TOWER BEVERAGE USA, LLC THAT YOU CONSULT WITH YOUR ATTORNEY, ACCOUNTANT OR PROFESSIONAL ADVISOR PRIOR TO ENTERING INTO THIS AGREEMENT WITH THE COMPANY. YOU ARE NOT TO CONSTRUE THE CONTENTS OF THIS DOCUMENT OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM TOWER BEVERAGE USA, LLC OR ANY OF ITS DIRECTORS, OFFICERS, EMPLOYEES OR REPRESENTATIVES AS LEGAL OR TAX ADVICE, OR AS INFORMATION NECESSARILY APPLICABLE TO YOUR PARTICULAR FINANCIAL SITUATION. ALL TOWER BEVERAGE USA, LLC'S FINAL DISTRIBUTORSHIP PURCHASES INCLUDING INVENTORY, SUPPLIES AND SERVICES FROM TOWER BEVERAGE USA, LLC & MONTHLY CO-OP SUBSCRIPTIONS TO DISTRIBUTORSHIP.COM ARE ALL NON-REFUNDABLE. ONLY INITIAL 10% DEPOSITS FOR LARGE PURCHASES OF INVENTORY ARE 100% REFUNDABLE.

**THIS AGREEMENT**, made as of the \_\_\_\_ day of \_\_\_\_\_ Year \_\_\_\_\_ by and between Tower Beverage USA, LLC of 1 World Trade Center 85<sup>th</sup> floor New York, NY 10007. (The "Company") and, \_\_\_\_\_ (The "Master Distributor")  
of: Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

### WITNESSETH:

**WHEREAS**, the "Company" is engaged in the business of manufacturing and supplying "Products", and distributing same through independent "Master Distributors" in various areas; and

**WHEREAS**, the "Master Distributor" shall have the primary responsibility to supply sub-distributors, retailers and other customers in the attached market area, schedule annexed hereto as exhibit "A" and

**WHEREAS**, in order to promote a more orderly and efficient distribution of the "Company's" "Products" in the market areas specified in the attached market area schedule exhibit "A", and to increase sales of the "Company's" "Products" and

**WHEREAS**, the parties hereto desire to set forth the full understanding between them as to the rights, responsibilities and obligations of each party hereunder.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained Tower Beverage USA, LLC, the "Company" and the "Master Distributor" here as follows:

### MARKET AREA:

The "Company" and the "Master Distributor" agree that competition will best be served, during the term hereof, if the "Master Distributor" uses his/her best efforts to supply the "Company's" "Products" to sub-distributors, retailers and other customers within the attached market area, schedule annexed hereto as exhibit "A".

(Initial & date) **Bill Richards:** \_\_\_\_\_  
(Initial & date) **Master Distributor:** \_\_\_\_\_



**SALES RESPONSIBILITY:**

The “Master Distributor” will be responsible for handling re-orders of “all” company “Products” from it’s sub-distributors, retailers and other customers within the attached market area, schedule annexed hereto as exhibit ”A” and to this end it will use its best efforts to develop and fully service new and existing sub-distributors, retailers and other customers supplied by Tower Beverage USA, LLC on their behalf. In the event the “Master Distributor” fails or refuses to serve any one or more customers in the manner herein specified, the “Master Distributor” may request the “Company” to direct another “Master Distributor” to service such outlet or outlets temporarily, or the “Company” itself may take over the servicing of such outlet or outlets on a temporary basis.

**INVASION FEES AND COMMISSIONS:**

The “Company” agrees to compensate the “Master Distributor” for all “Company’s” “Products” sold in the attached market area schedule annexed hereto as exhibit “A” through alternative distribution. There will be an invasion fee (commission) paid on a quarterly basis direct to the “Master Distributor” at the rate of 10% of the “Company’s” net profit from total amount on all invoices billed in the attached market area schedule annexed hereto as exhibit “A”.

**SALES RECORDS AND RIGHT OF INSPECTION:**

Tower Beverage USA, LLC the “Company” will, at all times maintain full and complete sales records pertaining to all products sold in the attached market area, schedule annexed hereto as exhibit A”. The “Master Distributor’s” “CPA” has the right to examine the financial books and records of the “Company” so that he/she may ascertain the affairs of the “Company” are properly being conducted, and that he/she can verify sales records ensuring invasion fees and commissions are being paid to the “Master Distributor”.

**ASSIGNABLE AGREEMENT:**

The “Master Distributor” can sell his/her developed area of responsibility 1 year from the time this agreement is signed. The “Company” will assist the “Master Distributor” selling his/her area of responsibility immediately upon receiving such request by certified mail.

**SUGGESTED RETAIL PRICES:**

The “Company” may from time to time, suggest the prices at which the retailers should sell the “Company’s” “Products”, although it is always the privilege of the retailer to charge the end user what they consider to be fair market value.

**REVISION OF PRICES:**

Any or all price changes by the “Company” to the “Master Distributor” for the “Products” may, from time to time be revised upon, with at least 30 days advanced notification of such revision to the “Master Distributor”.

(Initial & date) Bill Richards: \_\_\_\_\_  
(Initial & date) Master Distributor: \_\_\_\_\_



**PACKAGE AND UNIT CHANGES:**

The “Company” may, at its sole discretion, modify the size of packaging on all its “Products”, the manner of packaging, the type or style of packaging of the “Products” (including the number of containers for each unit of sale).

**COMPANY-MASTER DISTRIBUTOR RELATIONSHIP:**

The “Master Distributor,” in its relation to the “Company”, will at all times be an independent contractor, and neither the “Master Distributor,” nor any of its employees, agents or servants shall under any circumstances be deemed to be the employees or agents of the “Company”. Neither the “Master Distributor” nor its employees, agents or servants may make representations or bind the “Company” in any manner without the previously written authorization of the “Company”. The “Master Distributor” acknowledges that it is an independent contractor hereunder and not an employee of the “Company”. Accordingly, the “Master Distributor” shall be responsible for all Federal, State and local income taxes, unemployment taxes, social security contributions, worker's compensation premiums, and all similar taxes and payments concerning the “Master Distributor” and/or any employees, agents or servants thereof. The “Master Distributor” and its employees, servants and agents shall not be eligible for any of the “Company’s” employee benefit programs, and “Master Distributor” shall have no claim against the “Company” for sick leave, retirement benefits, social security, worker's compensation, disability, unemployment, or similar benefits. The “Master Distributor” shall be solely responsible for all expenses it incurs in the performance of its obligations hereunder, unless specifically agreed to be incurred by the “Company” in writing.

**CO-OP PROMOTIONAL SUPPORT:**

In addition to the “Master Distributors” obligations herein contained, the “Master Distributor” agrees to pay a monthly advertising subscription for co-op product support to Distributorship.com. This company collects monthly subscription fees from all “Master Distributors” to help subsidize additional product support to the network. The monthly subscription fee is (\$100.00) for your area as specified in the attached market area, schedule annexed hereto as exhibit ”A”.

**ALLOCATION OF PRODUCTS:**

The “Company” shall use its best efforts to deliver the “Products” to the “Master Distributor”, but the “Company” shall not be liable for delays which are caused by events that are beyond its reasonable control including, but not limited to, acts of God, acts of “Master Distributor”, acts of civil or military authority, fires, casualties, accidents, strikes or other similar difficulties. In the event of a product shortage, the “Company” may allocate its available “Products” among its other “Master Distributors” and other sub-distributors and customers in such manner, as it deems best without any liability or responsibility to the “Master Distributor” or their customers.

(Initial & date) **Bill Richards:** \_\_\_\_\_  
(Initial & date) **Master Distributor:** \_\_\_\_\_



## **TERMINATION BY THE COMPANY:**

The Company”, at its option, may terminate this Agreement by mailing to the” Master Distributor,” by certified or registered mail addressed to its last known address, a written notice terminating this Agreement effective not less than thirty (30) days after the date of notice, if:

- (a) “Master Distributor” fails to properly carry out its obligations under this agreement.
- (b) “Master Distributor” or their employees, agents or servants engages in conduct harmful to the interests of the “Company” or injurious to its reputation and goodwill of the “Company”.
- (c) “Master Distributor” becomes insolvent or takes the benefit of any present or future insolvency statutes. Makes a general assignment for the benefit of creditors, files a voluntary petition in bankruptcy or a petition answer seeking an arrangement or reorganization. The readjustment of its indebtedness under the Federal Bankruptcy Laws, under any law or statutes of the United States or any States thereof, consents to the appointment of a receiver, trustee, or liquidator of all or substantially all of its property.
- (d) “Master Distributor” by order or decree of a court, is adjudged, bankrupt, or an order is made approving a petition filed by any of its creditors or by any of its stockholders or any other third party, seeking its reorganization or the readjustment of its indebtedness under the Federal Bankruptcy Laws or under any law or statutes of the United States or any State thereof.
- (e) Except as otherwise specifically provided herein, the interest of the “Master Distributor” under this Agreement or any or all of the capital stock of a corporation is transferred to, passes to, or devolves to any other person or entity (other, than upon the death of the “Master Distributor” and the interest passes to an heir at law), or without the written permission of the “Company”.
- (f) “Master Distributor,” which is a partnership, and is dissolved.
- (g) By or pursuant to, or under authority of any legislative act, resolution, or rule, or any order or decrees of any court or governmental board, agency or officer, a receiver, trustee or liquidator takes possession or control of all or possession or control continues in effect for a period of fifteen (15) days.
- (h) “Master Distributor” fails to punctually make any payment required hereunder when due to the “Company”, Distributorship.com or to any customer.
- (i) At any time ceases to work for the “Company”, whatever the cause may be, including, but not limited to death or incapacity. Termination for this reason shall be final and binding upon the parties and shall not be subject to arbitration.

(Initial & date) **Bill Richards:** \_\_\_\_\_  
(Initial & date) **Master Distributor:** \_\_\_\_\_



**TERMINATION BY THE COMPANY:** (continued)

The rights of termination described in subparagraphs (a) through (i) above shall be in addition to any other rights of termination provided in this Agreement, and in addition to any rights and remedies that the “Company” would have. The exercise by the “Company” of any of its rights of termination under subparagraphs (a) through (i) hereof, or otherwise, shall be without prejudice to any other such rights and remedies available to the “Company”. Before issuing any termination notice pursuant to the above, the “Company” will give the “Master Distributor” a reasonable opportunity to explain and or cure its conduct.

**ARBITRATION:**

Except as otherwise provided in this Agreement, any and all disputes or disagreements between the "Company" and the “Master Distributor” concerning the interpretation or application of the provisions of this Agreement (other than disputes or disagreements relating to revision of prices, deposits or markups), shall be determined by binding arbitration in accordance with the rules of the American Arbitration Association.

**TERM OF AGREEMENT:**

This agreement shall commence on the date hereof and will not expire, unless sooner terminated pursuant to the provisions hereof.

**WAIVER:**

No waiver of any of the provisions of this Agreement shall be binding upon any Party hereto unless in writing and signed by such party. No waiver of any provision of or default under this Agreement shall affect the right of any party hereto thereafter to enforce said provision or to exercise any right or remedy in the event of any other default, whether or not similar, unless the written waiver thereof expressly so provides.

**AGREEMENT COMPLETE:**

This Agreement is intended to and shall supersede any and all existing understandings or agreements between the “Company” and the “Master Distributor” and expresses fully the understanding and agreement between the “Company” and the “Master Distributor.” Both parties agree that there are no promises, terms, conditions, understandings, commitments or obligations in respect of the subject matter of this Agreement, except as set forth herein.

**MODIFICATION AGREEMENT:**

This Agreement may not be modified, amended, changed, terminated or cancelled unless in writing, signed by both of the parties.

(Initial & date) **Bill Richards:** \_\_\_\_\_  
(Initial & date) **Master Distributor:** \_\_\_\_\_



**MASTER DISTRIBUTORS EXIT POOL:**

**DEFINITION**

“Master Distributor Exit Pool” represents 25% of the Net Sales contributed by Master Distributors to the sale price of the Tower Beverage USA, LLC Trademark and rights to a 3<sup>rd</sup> Party for products listed below. This portion is to be shared among all Master Distributors who sell the Products based on Master Distributor’s sales as a percentage (subject to a maximum of 20%) of the overall sales of the Products.

**2. TERMINATION**

a. Sale of Trademark and Rights to Products

In the event TOWER BEVERAGE USA, LLC sells the Trademark and rights to the Products and terminates this Agreement, Master Distributors shall receive a payment as defined in section 1 above and as illustrated below.

**EXAMPLE IS FOR ILLUSTRATIVE PURPOSES ONLY**

Trademark(s) and Rights to Products sells for	<b>\$750,000,000</b>
Previous 12 months Direct Sales made by Company	\$30,000,000
Previous 12 months collective Distributors Gross Sales	<b>\$70,000,000</b>
Total Company sales	\$100,000,000
Distributors Contributive Sales Percentage	70.00%
Total Distributor Contributive Dollars	\$525,000,000
Distributor Pool %	25.00%
Total Dollars to Distributor Pool	\$131,250,000

Maximum Distributor Payout % (to protect fair payouts)                                  20%

	<b>Previous 12 month sales</b>	<b>Payout</b>
Distributor 1	<b>\$17,000,000</b>	\$26,250,000
Distributor 2	<b>\$15,000,000</b>	\$26,250,000
Distributor 3	<b>\$12,000,000</b>	\$24,868,421
Distributor 4	<b>\$10,000,000</b>	\$20,723,684
Distributor 5	<b>\$7,000,000</b>	\$14,506,579
Distributor 6	<b>\$5,000,000</b>	\$10,361,842
Distributor 7	<b>\$2,500,000</b>	\$5,180,921
Distributor 8	<b>\$750,000</b>	\$1,554,276
Distributor 9	<b>\$500,000</b>	\$1,036,184
Distributor 10	<b>\$250,000</b>	\$518,092
	<b>\$70,000,000</b>	<b>\$131,250,000</b>

(Initial & date) **Bill Richards:** \_\_\_\_\_  
 (Initial & date) **Master Distributor:** \_\_\_\_\_



**BINDING EFFECT:**

If any portions of this Agreement are found to be void or unenforceable, the remaining portions thereof shall be binding upon the parties hereto and shall be enforced with the same effect as though the void or unenforceable portions were deleted.

**TOWER BEVERAGE USA, LLC'S REPUTATION:**

“Master Distributor” acknowledges that the “Company’s” reputation is of paramount importance. Accordingly, the “Master Distributor” will take no action of any kind that may reduce or diminish the good name and image of the “Company” or its products.

**CONFIDENTIAL INFORMATION:**

a. “Master Distributor” acknowledges that certain information of the “Company”, such as the “Company’s” sales manuals, price lists, customer list, trademarks, patents, product specifications, marketing techniques, servicing techniques, records, specifications, technical and non-technical information, suppliers, methods of buying and selling, trade secrets and other related information (herein defined as "confidential information") which “Master Distributor” acknowledges, agrees and understands to be proprietary information belonging to the “Company”, is of incalculable value to the “Company”, which the “Company” is entitled to protect from competitors and other parties. Accordingly, “Master Distributor” shall not disclose any such confidential information during the term of this Agreement, or upon its termination. “Master Distributor” shall not use such confidential information in any way except in furtherance of this Agreement.

b. “Master Distributor” acknowledges that the imposition of the above restraints is necessary and appropriate for the reasonable and adequate protection of the business of the “Company”, and that the above restrictions are reasonable with respect to its subject matter, geographic area and length of time. Notwithstanding anything to the contrary herein contained, “Master Distributor” recognizes that the covenants set forth in this Agreement are special and unique and in the event there is a breach by “Master Distributor,” at any time during the term of this Agreement, or within three years after the termination of this Agreement, the “Company” shall be entitled to injunctive and other equitable relief, and the “Company” shall be entitled to recover the loss, costs and expenses (including reasonable attorney’s fees), which are incurred by it in securing such injunctive or other equitable relief.

**NOTICES:**

Whenever either party desires or is required to give notice hereunder to any other party hereto, the same shall be emailed to or from [TowerBeverage85@gmail.com](mailto:TowerBeverage85@gmail.com) and shall be deemed sufficiently "given" when emailed and, addressed to the receiving party at its last known email address. Any such notice, request or other communication shall be deemed given and be effective upon receipt at such address.

(Initial & date) **Bill Richards:** \_\_\_\_\_  
(Initial & date) **Master Distributor:** \_\_\_\_\_



**GOVERNING LAW:**

This Agreement shall be governed, interpreted and construed under and pursuant to the laws of the State of New York. Any actions brought hereunder shall commence and proceed in the state of New York, regardless of conflicts of law.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by the respective representatives on the date set forth below.

ATTEST:

MASTER DISTRIBUTOR

\_\_\_\_\_

BY: \_\_\_\_\_

DATED: \_\_\_\_/\_\_\_\_/\_\_\_\_

ATTEST: Tower Beverage USA, LLC

Bill Richards

BY: \_\_\_\_\_

DATED: \_\_\_\_/\_\_\_\_/\_\_\_\_

(Initial & date) **Bill Richards:** \_\_\_\_\_  
(Initial & date) **Master Distributor:** \_\_\_\_\_



**EXHIBIT A)**

**Note:** Your specified market areas would be placed here.



(Initial & date) **Bill Richards:** \_\_\_\_\_  
(Initial & date) **Master Distributor:** \_\_\_\_\_