

DISTRIBUTOR AGREEMENT

This agreement is between _____ (hereafter referred to as "Distributor") and **Muggy Weld, LLC** (hereafter referred to as "Company"). The parties acknowledge that Company is setting up a sales contract with Distributor for the purpose of nationwide **exclusive** distribution throughout _____.

1. **Compensation to Company.** Company agrees to provide materials at the following cost:

Silver Solder

regular price \$300.00 per kit
up to 40 kits 20% off (\$240 per kit)

Super Alloy 1 (pot metal)

regular price \$99.00 per kit
up to 20 kits 20% off (\$79.20 per kit)
21 to 30 kits 30% off (\$69.30 per kit)
31+ kits 40% off (\$59.40 per kit)

Super Alloy 5 (aluminum)

regular price \$99.00 per kit
up to 20 kits 20% off (\$79.20 per kit)
21 to 30 kits 30% off (\$69.30 per kit)
31+ kits 40% off (\$59.40 per kit)

Cool Blue Heat Paste

regular price \$59 per lb.
20 jar minimum order 30% off (\$41.30 per lb.)

SSQ-6

regular price \$95 each
discount price 20% off (\$76 each)

77 Electrode

regular price \$130 per pound
discount price 20% off (\$104.00 each lb)

72 Electrode

regular price \$110 per pound
discount price 20% off (\$88.00 each lb)

2. **Minimum Purchase.** Distributor agrees to make a minimum initial purchase of \$_____ (calculated AFTER discount). Minimum purchase requirement does not include shipping costs, which are additional. Minimum \$ _____ per year to continue distributorship

3. **Payment.** Distributor will be charged a 5% credit card processing fee per credit

card transaction. Cashier's checks will not incur additional fees and will be subject to a 10 day clearing period prior to shipping product.

4. **Currency.** Prices are US dollars.
5. **Pricing.** Distributor agrees to honor minimum Company pricing structure of \$99 per full kit USD, \$59 per half kit USD. Distributor will at no time sell product at a lower cost. Company will allow higher pricing at Distributor's discretion.
6. **Trade Name.** Distributor agrees to sell merchandise under the original trade name "Super Alloy" and not make changes to packaging. Company agrees to the addition of Distributor's contact information to all merchandise. Distributor agrees that Company retains all ownership and copyright of trade name and packaging. Distributor has permission to use images and information from MuggyWeld.com for the purpose of marketing.
7. **Manufacture.** Distributor agrees to not remanufacture Company's trade secret formula through any outside manufacturer without written permission from Company.
8. **Non-compete.** Distributor agrees to not sell merchandise similar in nature to Company's for a period of 5 years after the dissolution of this Agreement.
9. **Method of sale.** Distributor agrees to sell Company's merchandise through catalog or internet sales only. Any other method of sales must be approved by Company in writing prior to advertisement and sale of product.
10. **Taxes.** The parties acknowledge that Distributor is executing this Agreement as a and independent Distributor. As such, Distributor shall be solely responsible for the payment of all federal, state and other taxes due on any compensation received in relation to sales received by Distributor.
11. **Indemnification.** Distributor agrees to indemnify and hold the Company harmless from any claims and expenses whatsoever (including attorney's fees) arising from the breach by Distributor of any of the terms of this Agreement, or any other contracts or agreements entered into by Distributor.
12. **Governing Law, Modification and Venue.** A. The effect and interpretation of this Agreement shall be governed by the laws of the State of Washington. The parties agree that any legal proceedings involving this Agreement shall be commenced in Thurston County, Washington. The parties agree to be subject to the jurisdiction of the courts of Thurston County, Washington for purposes of any legal proceedings.

B. The parties acknowledge that this written Agreement is the full and complete agreement between the parties. Any modification, change, or alteration in the terms

of this agreement will be valid only if made in writing, dated, and signed by the Distributor and Company.

13. Attorney's Fees and Remedies. Should any dispute arise concerning this Agreement, and either party finds it necessary to commence legal action to resolve such a dispute, the prevailing party in such a legal action shall be entitled to have the other party pay the attorney's fees, court costs, and expenses of the prevailing party incurred in such dispute and legal action, in addition to any other damages or legal relief awarded. In addition to any legal remedies previously stated in this Agreement, or otherwise available at law, each party may seek as a remedy the specific enforcement of this Agreement, and/or the issuance of an injunction to prevent the further breach of this Agreement.

Company Signature

State of _____ County of _____.

X Distributor Signature

Subscribed and affirmed before me by

Print name of distributor

This _____ day of _____

(year)

(day)

(month)

Notary Public Signature

Affix Official Seal