



MASTER DISTRIBUTOR AGREEMENT

Copy of 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 CONSTRUCE 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 PURCHASES INCLUDING MINIMUM REQUIRED PURCHASES, INVENTORY, SUPPLIES, SERVICES & MONTHLY CO-OP ADVERTISING SUBSCRIPTIONS ARE ALL NON-REFUNDABLE.

THIS AGREEMENT, made as of the ____ day of _____ Year _____ by and between Tower Beverage USA, LLC of 1 World Trade Center 85th floor New York, NY 10007. (The "Company") and, _____ (The "Master Distributor") of: Address: _____. City: _____ State: _____ Zip: _____ Phone: _____. Email: _____

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 help the "Company" solicit new business arrangements direct to independent 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 help 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 help solicit new business for the "Company's" "Products" directly to independent retailers and other customers within the attached market area, schedule annexed hereto as exhibit "A".



SALES RESPONSIBILITY:

The “Master Distributor” will be responsible for helping the “Company” solicit new business directly to new independent 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 help develop new business relationships with new independent retailers and customers acquired or initially solicited by Tower Beverage USA, LLC on their behalf. In the event the “Master Distributor” fails or refuses to solicit any one or more customers in the manner herein specified, the “Master Distributor” may request the “Company” to direct another “Master Distributor” to solicit such new potential independent retailers and other customers temporarily, or the “Company” itself may take over the servicing of such potential new customers on a temporary basis.

INVASION FEES AND COMMISSIONS:

The "Company" agrees to compensate the "Master Distributor" from all “Company” product sales billed within the market area outlined in Exhibit "A," whether sold through alternative distribution channels or drop-shipped to large chains, big-box stores and or any other customers. A 10% invasion fee will be paid quarterly directly to the "Master Distributor," calculated at a rate of 10% of the "Company's" "net" profit from all” Company” sales billed to large chains, big-box stores and or any other customers in the market area detailed in Exhibit "A."

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 emailing TowerBeverage85@gmail.com

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 customers for the “Products” may, from time to time be revised upon, with at least 30 days advanced notification of such revision to all customers.

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 of beverage, or style of packaging of the “Products” (including the number of containers for each unit for sale per case).



COMPANY – MASTER DISTRIBUTOR RELATIONSHIP:

The “Master Distributor,” in its relation to the “Company”, will always be an independent contractor, and neither the “Master Distributor,” nor any of its business partners, 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 business partners, 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 business partners, employees, agents, or servants thereof. The “Master Distributor” and its business partners, employees, servants, and agents shall not be eligible for any of the “Company’s” employee benefit programs, and the “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 yearly advertising fee, for co-op advertising support. The “Company” requires all “Master Distributors” to subscribe. The yearly subscription fee contributes and helps subsidize additional press releases; advertising & promotional support provided by the “Company”. The yearly subscription fee is (\$960.00) 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 ”Customers”, 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 customers in such manner, as it deems best without any liability or responsibility to the “Master Distributor” or their customers.

TERMINATION BY THE COMPANY:

The “Company”, at its option, may terminate this Agreement by emailing to the” Master Distributor,” by email addressed to its last known email address, a written notice terminating this Agreement effective not less than thirty (90) days after the date of notice, if:

- (a) The “Master Distributor” fails to properly carry out its obligations under this agreement.
- (b) The “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) The “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) The “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) The “Master Distributor” fails to punctually make any payment required hereunder when due to the “Company”, Distributorship.com or to any sub-distributor or customer.
- (i) At any time the “Master Distributor” 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.



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 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, or changed unless in writing, signed and dated by both of the parties.



DISTRIBUTORS EXIT POOL:

DEFINITION

1.

The “Master Distributors” Exit Pool” represents 25% of the Net Sales contributed by the sub-distributors and any other customers in the attached market area, schedule annexed hereto as exhibit” A” to the sale price of the Tower Beverage USA, LLC Trademark and rights to a 3rd Party for products listed below. This portion is to be shared by the “Master Distributor” who represents the “Company’s Products” in the attached market area, schedule annexed hereto as exhibit” A” and is based on the sub-distributors sales and any other customer 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 or the rights to the Products and terminates this Agreement, the “Master Distributor” shall receive a payment from sub-distributor sales and other customers, as defined in section 1 above and as illustrated below.

EXAMPLE IS FOR ILLUSTRATIVE PURPOSES ONLY

Trademark(s) and Rights to Products sells for	\$750,000,000
Previous 12 months Direct Sales made by Company	\$30,000,000
Previous 12 months collective Distributors Gross Sales	\$70,000,000
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%
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	Previous 12 month sales	Payout
Distributor 1	\$17,000,000	\$26,250,000
Distributor 2	\$15,000,000	\$26,250,000
Distributor 3	\$12,000,000	\$24,868,421
Distributor 4	\$10,000,000	\$20,723,684
Distributor 5	\$7,000,000	\$14,506,579
Distributor 6	\$5,000,000	\$10,361,842
Distributor 7	\$2,500,000	\$5,180,921
Distributor 8	\$750,000	\$1,554,276
Distributor 9	\$500,000	\$1,036,184
Distributor 10	\$250,000	\$518,092
	\$70,000,000	\$131,250,000



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:

The "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:

The "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 the "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, the "Master Distributor" shall not disclose any such confidential information during the term of this Agreement, or upon its termination. The "Master Distributor" shall not use such confidential information in any way except in furtherance of this Agreement.

The "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, the "Master Distributor" recognizes that the covenants set forth in this Agreement are special and unique and in the event there is a breach by the "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 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 email address.



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
Founder/Owner

BY:

DATED: ____/____/____

EXHIBIT A)

Note: Specified protected market area county maps will be placed here as stipulated in the copy of this agreement

