

## **I. THE COMPANY**

The company, **American Cowboy Coffee Company, Inc.** is a Wyoming corporation (“Company”). The company has distribution rights in the United States and around the world for its products (“Products”), and it owns trade names, trademarks, and service marks which it agrees to license to the “Distributor” upon the terms and conditions of this Agreement.

## **II. THE COMPANY'S PRODUCTS**

The Company guarantees both the quality of the Products and the packaging. Should a customer suffer loss or damage from using Company products, the responsibility for such loss or damage shall be apportioned between the Company and the Distributor based upon each party's comparative negligence.

Any repackaging of Company products is strictly prohibited. Products must be sold to customers in the original packaging and samples other than those authorized by Company in writing are not permitted.

## **III. MARKETING**

The Company offers to its Distributors an opportunity to benefit by associating through the Company and its affiliates with persons who are oriented toward personal and financial growth. This growth is directly dependent upon each person's individual efforts and skills. **THE COMPANY MAKES NO REPRESENTATIONS AS TO HOW MUCH ANY INDIVIDUAL CAN EARN. EARNINGS DEPEND UPON SKILLS AND EFFORT EXPENDED. A DISTRIBUTOR IS A SOLE PROPRIETOR RUNNING AND OPERATING HIS/HER OWN INDEPENDENT BUSINESS, RETAILING OR USING American Cowboy Coffee™ PRODUCTS AND ABLE TO SPONSOR OTHER DISTRIBUTORS AND THEREBY EARN VOLUME BONUSES THROUGH THE COMPANY'S MARKETING PLAN AS A RESULT OF SALES OF THE COMPANY'S PRODUCTS.**

### **A. THE PRODUCT REPRESENTATIVE**

In order to become a Product Representative with the Company, the applicant must comply with the following:

1. Be at least 18 years of age and submit the Distributor application and application fee.
2. Read this Agreement and all of the attachments and exhibits thoroughly, and understand all of those materials, the marketing plan and the Products. If the Product Representative has any questions, they should be directed to the Company. If not satisfied -BEFORE SIGNING THIS AGREEMENT- write to or contact: **American Cowboy Coffee Company, Inc.** (See [www.AmericanCowboyCoffee.com](http://www.AmericanCowboyCoffee.com) for contact information)
3. Purchase a minimum initial order of \$144.00 (one hundred forty four dollars) in Product directly from the company.

### **B. QUALIFICATIONS FOR BONUSES (COMMISSIONS)**

1. The Bonuses (Commissions) are calculated using a Bonus Volume figure to be established between the Company and the Distributor and made part of this agreement under Appendix.
2. In order for a Distributor to receive Bonuses, they must meet their ordering requirements of (to be established between the Company and the Distributor and made part of this agreement under Appendix) of Product within two (2) consecutive calendar months, either personally and/or through their organization.

### C. MISCELLANEOUS

1. **American Cowboy Coffee Company, Inc.** Distributors may sell to whomever they desire and in any location. **American Cowboy Coffee Company™** products may not be consigned to or sold by anyone who is not a registered **American Cowboy Coffee Company, Inc.** Distributor. The Company exercises no control over their day-to-day activities and other than the minimum sales requirements contained (to be established between the Company and the Distributor and made part of this agreement under Appendix), they are free to sell as much or as little of the Company's products as they desire. The Product Distributor may sell at retail and may also recruit Representatives.

2. The Distributor must purchase at least (amount to be established between the Company and the Distributor and made part of this agreement under Appendix) of product from the Company at a time, or pay shipping and handling charges.

### IV. BUYBACK POLICY

#### A. DISTRIBUTOR

It is the responsibility for the Company to refund the purchase price to the Distributor on any Product returned to the Company provided the Product is returned within sixty (60) days of purchase, the Product is in good condition and the Distributor has submitted to the Company a written termination of the Agreement. There is no obligation to repurchase partial cases or discontinued products. The Company agrees to repurchase said Product at 100% of the price paid by the Distributor less Rebates & Bonuses paid and freight both ways. Payment will be made by the Company thirty (30) days after receipt of the Product.

### V. GENERAL PROVISIONS

#### A. RELATIONSHIP TO COMPANY

Distributors are independent marketing Distributors who establish and service retail accounts for the Company's Products. The position is not a franchise nor a distributorship. This Agreement does not create the relationship of employer-employee, agency, partnership, or joint venture between the parties. Each Distributor is an independent business person - not an employee of the company. A distributor has no right to unemployment compensation, workmen's compensation, or any other employee benefit.

#### B. CONFORMITY WITH LAW AND ETHICAL BUSINESS PRACTICES

As an independent contractor, the Distributor agrees to abide by all federal, state and local laws, rules and regulations relating to the sale, distribution and advertising of the Company's Products, and the declaration and payment of any and all federal, state or local taxes or fees which may accrue because of the sales activity engaged in or in the earnings from the activity. The Distributor agrees to act at all times in a competent, fair, honest, ethical and courteous manner.

**American Cowboy Coffee Company, Inc.** complies with all sales tax laws, which are capable of changing. It is the responsibility of the Distributor to be aware of these sales tax fluctuations that may affect additional charges on their orders.

#### C. USE OF ADVERTISING AND LITERATURE

Any and all advertising and printed or Internet material relating to the Company's Products shall be provided by the Company and in the event that the Distributor desires to create any original advertising or printed material, it shall be submitted to the Company in writing and approved by the Company prior to its use and in such case the Distributor is solely responsible for the costs incurred in the production and dissemination of such material.

#### D. ORDERS

All orders are to be accompanied by a cashier's check, money order, or a valid credit card. If the Distributor fails to pay the Company any amount due, the Company is authorized to apply any commission otherwise payable to the Distributor to such unpaid account.

#### E. AMENDMENT

This Agreement may be amended by the Company at its sole discretion upon thirty (30) days notice. Notice of the amendment shall be given to all Distributors by mail at their last known address. The thirty (30) days notice shall commence upon mailing.

#### F. CONFIDENTIALITY

Distributors are prohibited from using or displaying the Company's trade names, trademarks and service marks except with the Company's express written consent. In addition, Distributors shall not use or disclose any of the Company's trade secrets or confidential or proprietary information, including but not limited to recipes and income reports. A violation of this provision will be grounds for immediate termination in addition to possible legal action including an action for monetary damages as well as injunctive relief.

#### G. APPLICANTS

1. Applicants must be at least eighteen (18) years of age and only individuals may become a party to this Agreement; however, a corporation or partnership may conduct business through such an individual. **American Cowboy Coffee Company, Inc.** may reject any applicant in its sole discretion.
2. As the relationship between the Distributor and the Company is personal, the Agreement is NOT assignable by the Distributor. However, in the event of the death, disability or retirement of a Distributor the Company may accept a qualified spouse, heir, personal representative or other third party replacement if the heir or assign complies with all original requirements of this Agreement.

#### H. GOVERNING LAW

This Agreement shall not be effective until accepted by the Company at its home office in Hartville, Wyoming. This Agreement shall be governed by, and construed in accordance with the laws of the State of Wyoming.

#### I. ENTIRE AGREEMENT

This Agreement contains the entire Agreement between the parties and supersedes all prior or contemporaneous negotiations, discussions, or understandings of the parties.

#### J. SEVERABILITY

Any provision of this Agreement prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions of this Agreement.

## **VI. TERMINATION**

A. The Distributor may terminate this Agreement at any time upon thirty (30) days written notice to the Company.

B. The Company may terminate this Agreement upon written notice in the following instances:

- I. If the Distributor fails to pay the annual fee.
2. If the Distributor fails to pay any amounts owing to the Company when due.
3. If the Distributor discloses any of the Company's trade secrets or confidential or proprietary information involving disclosures of down-line information.
4. If the Distributor makes any misrepresentation or fails at anytime to act in a competent, fair, honest, ethical and courteous manner which may be detrimental to the Company or any other Company Distributor.

## **VII. EFFECT OF TERMINATION**

Upon the termination of this Agreement for any reason, the Distributor shall cease to be an authorized dealer in the Company's Products. The Distributor shall immediately pay the Company all sums due and owing and should the Distributor fail to do so, the Company is authorized to apply any commissions otherwise payable to the Distributor to such unpaid account. The Distributor shall immediately discontinue all use of the Company's trade secrets, trademarks, service marks and confidential and proprietary information. All promises and agreements of the Distributor that are to be performed after the termination of this Agreement shall survive the termination.

## **VIII. ARBITRATION**

Any controversy between the Distributor and the Company arising out of this Agreement shall be settled by arbitration governed by the American Arbitration Association ("AAA") upon application by either party.

Each party shall select one arbitrator and the two so selected shall select a third, and failing the selection of an arbitrator by either party, or by the two so selected, the claim or controversy shall be settled by the AAA. The arbitration proceedings shall be conducted in accordance with the AAA rules then prevailing. Judgment upon an award by a majority of the arbitrators shall be filed in a court of competent jurisdiction and shall be binding upon all parties to the arbitration.