

# MASTER



# DISTRIBUTOR

## MASTER DISTRIBUTOR AGREEMENT

THIS MASTER DISTRIBUTOR AGREEMENT (“Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, by and between \_\_\_\_\_ (“Distributor”), a \_\_\_\_\_ with offices at, \_\_\_\_\_ and ATWEC, TECHNOLOGIES, INC. (“ATWEC”), a Nevada corporation with offices at 2799 Broad Avenue Memphis, TN 38112.

### RECITALS

1. ATWEC is engaged in the business of developing, designing, manufacturing and selling child safety products;
2. ATWEC has developed certain child safety products for use in motor vehicles;
3. ATWEC wishes to appoint Distributor as the exclusive distributor of ATWEC’s products to the Assigned Accounts, pursuant to the terms of this Agreement; and
4. Distributor wishes to serve as the exclusive distributor of ATWEC’s products to the Assigned Accounts throughout the United States.

### AGREEMENT

In consideration of the recitals, mutual covenants and provisions herein set forth, the parties hereto agree as follows:

1. APPOINTMENT AND ACCEPTANCE. ATWEC appoints Distributor as its exclusive master distributor to promote the sale of and solicit orders for the products of ATWEC for the Assigned Accounts as defined in section 2 herein and to facilitate relationships and obtain authorized dealers for ATWEC’s Products. Distributor accepts the appointment and agrees to devote such time, energy and skill on a regular and consistent basis as is necessary to promote the sale of ATWEC’s Products.
2. PRODUCTS. Products of ATWEC covered by this Agreement are: Kiddie Voice and Kiddie Alert, along with any products added by ATWEC during the lifetime of this Agreement (“Products”). ATWEC agrees to keep Distributor informed of any new Products it develops and to provide any and all reasonable amounts of promotional materials regarding such Products to Distributor.
3. COMPENSATION. Distributor shall receive compensation based upon pricing between manufacturing and distributor see exhibit A.
4. AUDIT. Distributor shall have the right to audit ATWEC’s statements as to sales as stated in the Agreement. In the event that such an audit reveals that ATWEC has understated sales by more than five percent (5%) for any given time period, then the reasonable cost of such audit shall be paid by ATWEC.

5. PROPRIETARY RIGHTS. ATWEC represents and warrants that it is the owner of the Products including all intellectual property rights and that it has the right to enter into this Agreement to allow Distributor to distribute and sell such Products. Distributor acknowledges that the intellectual property associated with the Product is the sole and exclusive property of ATWEC, including all applicable rights to patents, copyrights, trademarks, trade names and trade secrets inherent therein and appurtenant thereto. Distributor acknowledges and agrees that ATWEC retains all right, title and interest in and to the suppressor product.

6. INDEMNIFICATION. ATWEC shall hold Distributor harmless for any and all claims (1) of infringement of a patent or any other intellectual property and (2) for damages, including products liability and breach of warranty, brought by any person, including but not limited to any buyer of ATWEC's product(s). The foregoing indemnity obligations shall survive the termination or expiration of this Agreement.

Distributor shall hold ATWEC harmless for any and all claims and damages resulting from (1) improper installation of the Products, and (2) claims and damages resulting from any warranties (by Distributor) on the installation of the Products. The foregoing indemnity obligations shall survive the termination or expiration of this Agreement.

7. PROCUREMENT. It is the intent of the parties that Distributor be compensated for any and all sales procured as a result of Distributor efforts and all purchases by authorized dealers procured by Distributor. Additionally, Distributor shall receive compensation for any subsequent orders and reorders obtained if such orders are received from the Assigned Accounts or any other party to whom Distributor has previously procured sales.

The presumption shall be that any order placed by an Assigned Account is the result of the efforts of Distributor. Consequently, the burden of proof shall be upon ATWEC to disprove that any such orders were not the result of the efforts of Distributor. Distributor shall maintain records of all such efforts with the Assigned Accounts and other contacts and apprise ATWEC of the same; similarly, ATWEC shall apprise Distributor of similar contacts. If Distributor and ATWEC wish to make joint sales presentations, they may agree to a different percentage as compensation from the amount specified in Section 3; any such modification or exception must be confirmed in writing and the agreement reached in advance of the presentation date. In the event of any dispute regarding procurement, such dispute shall be subject to the mediation and arbitration provisions below.

8. CHOICE OF LAW. This Agreement shall be governed by the laws of the state of Wisconsin, which Distributor and ATWEC have chosen because of its simplicity of its laws regarding arbitration and trade secrets. In the event of any violation or other action under this Agreement, the proper form and venue shall be Waukesha County, located in the State Wisconsin.

9. WARRANTIES. Distributor shall not make any representations or warranties relating to ATWEC's Products to any customer or potential customer. Distributor may inform its customers of the representations and warranties that are expressly made by ATWEC relating to its Products.

10. INSURANCE. Prior to or upon the date of this Agreement, ATWEC shall provide Distributor with written proof that ATWEC has product liability insurance with at least \$1,000,000 of aggregate coverage.

11. TRADEMARKS AND TRADENAMES. During the term of this Agreement, Distributor shall have the right to indicate to the public that it is a distributor of ATWEC and shall have the right to advertise to the Assigned Accountants such Products under any of the trademarks and trade names that ATWEC now owns and may adopt from time to time (the "ATWEC Trademarks"). Distributor will use or display the ATWEC Trademarks only in connection with the Products and in compliance with all applicable federal and state laws. Nothing herein shall grant Distributor any other right, title, or interest in the ATWEC trademarks.

At no time during or after the term of this Agreement shall Distributor:

- (a) Challenge or assist others to challenge ATWEC's Trademarks or any registration thereof;
- (b) Attempt to register any trademark or trade name confusingly similar to ATWEC or any other trademark owned by ATWEC;
- (c) Modify or alter any of the ATWEC trademarks in any way or incorporate any of the ATWEC trademarks or any derivative thereof into any domain, trade name named, firm or corporate name;
- (d) Do or admit to do anything whereby the proprietary rights of ATWEC to use the ATWEC trademarks is diminished or lost.

12. DISPUTE. Unless the parties have specified in a writing that they are not to be governed by this section, in the event that there is any dispute regarding any portion of this Agreement or any other relationship between the parties, including payment, the parties agree as follows:

- (a) There must be written notice of such dispute received no later than thirty (30) days following the discovery of such dispute; failure to provide such notice shall constitute waiver of such dispute.
- (b) The parties, upon receiving written notice, shall first attempt resolution of any dispute by telephone conference or other conference between the respective presidents of Distributor and ATWEC. Distributor and ATWEC may have such other parties present at any such conference but their respective presidents must be present either telephonically or in person. In the event that such dispute is not resolved via conference, the parties shall subject such dispute to mediation within fifteen (15) days of such conference pursuant to the provisions of Section 13.

13. ARBITRATION. Any disagreement regarding this Agreement, except a threat to or breach of the non-competition provisions (which threat or breach shall be subject to such traditional court remedies as injunctive relief), shall be subject to arbitration. Such arbitration shall be held in the greater Milwaukee metropolitan area and shall be conducted by an arbitrator agreed to by the parties, or, if the parties are unable to agree upon an arbitrator, by an arbitrator provided by the

American Arbitration Association. ATWEC may require that such an arbitrator sign a certification stating that said arbitrator is not acquainted with either of the parties or either of the parties' counsel. In the event that this arbitration clause is invoked, at the request of either party, mediation shall occur on a good faith basis by both parties. Any such mediation shall be conducted by a mediator either agreed to by the parties, or, if the parties are unable to agree upon a mediator, by a mediator selected by the American Arbitration Association. Any such mediator shall sign an agreement stating that the mediator shall keep the parties' positions confidential and the parties' positions shall in no way be conveyed to the arbitrator or to any other party. Unless otherwise agreed to by the parties, the following rules shall apply:

(a) The parties shall hold a pre-hearing, scheduling conference with the arbitrator (via telephone) to establish a schedule for the arbitration proceedings.

(b) The arbitration hearing shall be held no later than five months after the scheduling conference.

(c) No later than 30 days after the scheduling conference, each party shall provide to the other party the following information: (i) an itemization of all damages sought; (ii) a list of lay and expert witnesses the party may call to testify and (iii) a list of all documents which the party may introduce at the hearing.

(d) No later than 45 days thereafter, each party shall submit the following rebuttal: (i) a rebuttal to the itemization of damages filed by the other party; (ii) a rebuttal list of lay and expert witnesses and (iii) a list of all documents which may be used in rebuttal to the other party's claims.

(e) Each party shall be entitled to discovery exclusively by the following means: (i) requests for admission, (ii) requests for production of documents, (iii) up to 15 written interrogatories (with any subpart to be counted as a separate interrogatory), and (iv) depositions of no more than six individuals.

(f) The hearing shall be limited to three (3) days. The parties shall be allotted equal time to present their evidence at the hearing. Time spent cross-examining a witness shall be allocated to the party conducting the cross-examination.

(g) The arbitrator shall render a written decision within one week of the completion of the hearing.

(h) As stated above, any arbitrator shall construe this Agreement liberally to effectuate the parties' intention that they be reasonably compensated for their complex business relationship(s).

The arbitrator's authority shall include the ability to render equitable types of relief and, in such event, any aforesaid court may enter an Order enjoining and/or compelling such actions or relief ordered or as found by the arbitrator. The arbitrator also shall make a determination regarding which party's legal position in any such controversy or claim is the more substantially correct (the "Prevailing Party") and the arbitrator shall require the other party to pay the legal and other professional fees and costs incurred by the Prevailing Party in connection with such

arbitration proceeding and any necessary court action. However, notwithstanding the foregoing, the parties expressly acknowledge that a court of competent jurisdiction may enter a temporary restraining order or an order enjoining a breach of this Agreement pending a final award or further order by the arbitrator. Such remedy, however, shall be cumulative and nonexclusive, and shall be in addition to any other remedy to which the parties may be entitled.

14. ENTIRE AGREEMENT. This Agreement, along with any schedules and exhibits attached hereto, constitutes the entire agreement between ATWEC and Distributor concerning the subject matter hereof and supersedes all prior discussion, negotiations, commitments, representations and understandings relating to matters contained within this Agreement. No party is relying upon any warranties, representations or inducements not set forth herein.

15. MODIFICATION. This Agreement (including this provision against oral modification or waiver) may not be modified or waived, except in writing and signed by all parties hereto.

16. NOTICES. Notice required to be delivered under this agreement shall be delivered to the following parties:

**To Distributor:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**To ATWEC:** 2799 Broad Avenue  
Memphis, TN 38112  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

17. TERM and TERMINATION. This Agreement shall be effective upon execution hereof and shall remain in force for one (1) year from the Date of Execution (the "Initial Term"). Following the expiration of the Initial Term, this Agreement shall automatically renew for an additional one (1) year term on each anniversary hereof unless either party delivers notice to the other party of such party's intention not to renew at least one hundred twenty (120) days prior to the expiration of the Initial Term or any subsequent term. ATWEC Shall have the right to terminate this Agreement if Distributor (i) has materially breached this Agreement, and which breach has remained uncured for more than thirty (30) days after written notice thereof, as required by this Agreement, has been given by the ATWEC to the Distributor; or (ii) has committed gross negligence or willful misconduct in the performance of its duties hereunder. In the event of the termination of this Agreement by the ATWEC, then ATWEC shall pay to Distributor all amounts due hereunder up to the date of termination.

18. RIGHTS UPON TERMINATION. Upon termination of this Agreement for any reason:

(a) Distributor shall be paid all compensation due hereunder originated by Distributor dated or communicated to ATWEC prior to the effective date of termination, or during any additional period authorized by ATWEC.

(b) ATWEC shall furnish Distributor copies of orders originated by Distributor on which Distributor is to be compensated under this Agreement until the date of the final compensation payment to Distributor.

(c) Both parties shall have the right to audit all documentation related to this Agreement. Such audit shall be mutually agreed upon by the parties, but no greater after written request allowing the other party to audit documents, to be limited to documents relating to products sold, or services provided, shipments, invoices, customer purchase orders, customer communications, customer payments, and compensation on sales to the assigned accounts. The right to audit shall expire six months after the effective date of the termination of this Agreement.

(d) Distributor shall cease and desist using all of the ATWEC Trademarks.

19. SEVERABILITY. In the event any provision of this Agreement is held to be invalid or unenforceable, such provision shall be considered deleted from this Agreement and shall not invalidate the remaining provisions of this Agreement.

20. WAIVER. The failure of either party to enforce, at any time or for any period of time, any provisions of this Agreement shall not be construed as a waiver of such provision or the right of any such party thereafter to enforce such provision.

21. ASSIGNMENT OF AGREEMENT. The rights and duties of Distributor under this Agreement are personal and may not be transferred or delegated or transferred without the prior written consent of ATWEC.

*The remainder of this page intentionally left blank  
Signature page follows*

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first written above.

DISTRIBUTOR

By: \_\_\_\_\_

\_\_\_\_\_

ATWEC TECHNOLOGIES, INC.

By: \_\_\_\_\_