



## DISTRIBUTION AGREEMENT

THIS AGREEMENT is entered into between Soles4Souls, Inc. (hereinafter referred to as "S4S"), an Alabama 501(c)(3) corporation headquartered at 319 Martingale Dr., Old Hickory, TN 37138, and \_\_\_\_\_ (hereinafter referred to as "Donee") located at \_\_\_\_\_.

This Agreement shall be effective as of \_\_\_\_\_, 20\_\_\_\_.

S4S has offered to provide, and Donee has agreed to accept, new and gently used donated products (the "Donated Products"), as available, to Donee in S4S's sole discretion. In exchange for the Donated Products from S4S, Donee hereby understands, warrants, represents, guarantees and covenants to abide by the following terms and conditions:

**1. Distribution to End-users.**

- a. Consistent with Donee's charitable purpose and subject to any terms and conditions of S4S or the original donors, Donee shall distribute the Donated Products to people in need (the "End-users").
- b. Prior to distribution, Donee shall first receive written approval from S4S regarding the destination where the Donated Products will be distributed and a general description of the End-users. The purpose of this requirement is to avoid the distribution of the Donated Products in countries with which the United States government prohibits or limits commercial contact and to ensure that the Donated Products are distributed to End-users in need.

**2. Written Reports.** Donee shall provide S4S with the following reports:

- a. A status report no less than every thirty (30) days until the Donated Products are distributed to the End-users. The status reports shall include the current location of the Donated Products, the estimated date of arrival at the approved destination and the estimated date of distribution of the Donated Products to the End-users.
- b. A summary within thirty (30) days of Donee's distribution of the Donated Products to the End-users. The summary shall include the exact location of the distribution, a description of how the Donated Products made a difference in the lives of the End-users of the Donated Products, and photographs of the Donated Products being distributed to End-users.

**3. No Sale, Transfer or Barter.** Donee shall not offer for sale, sell, transfer, or barter the Donated Products in exchange for money, other negotiable instruments, or other tangible or intangible goods or services or other consideration of any kind. Donee agrees that no fees of any kind will be paid by the

End-users of the Donated Products. This section does not apply to an End-user who is a micro-enterprise recipient in a developing nation that is pre-approved in writing by S4S.

**4. Warranties.**

- a. Donee warrants and represents that it is an active corporation in good standing with Internal Revenue Service and the state in which it is incorporated, has been awarded the tax-exempt status of 501(c)(3) by the Internal Revenue Service and has filed its exempt status letter with S4S. Donee shall submit other evidence of exempt status as requested by S4S. If Donee is a foreign corporation, Donee warrants and represents that it is a recognized charitable organization in good standing with its country of origin or incorporation and with the United States Government. Donee shall submit evidence of incorporation, organization and good standing as requested by S4S.
  
- b. Donee shall use the Donated Products it receives from S4S solely for projects within Donee's charitable tax-exempt purpose. Donee agrees and warrants that any Donated Products received by Donee will be distributed to End-users in need by employees of the Donee or by others who are under the direct control and supervision of the Donee.
  
- c. The original donor is the original source of the Donated Products. S4S and the original donor of any Donated Products specifically disclaim any warranties or representations, express or implied, as to fitness for use of any or all such Donated Products. However, S4S or the original donor will disclose any known material and latent defects in the Donated Products to the Donee. After any such disclosure (if necessary), Donee's acceptance of all Donated Products shall be on an "as-is" basis. Donee shall also inspect all Donated Products received from S4S. Donee shall notify S4S promptly if any Donated Products are damaged or cannot be used safely.
  
- d. Donee shall secure and maintain all necessary licenses, certifications or approvals as required by federal, state, county or municipal laws and/or regulations, and shall remain in good standing with all appropriate governmental entities.
  
- e. Donee agrees to promptly notify S4S in writing when there are significant changes in the management, purpose or operations of Donee.

**5. Storage & Records**

- a. Donee shall provide sufficient and safe storage space for the Donated Products that will protect the integrity of the Donated Products until they can be distributed to End-users.
  
- b. Donee shall record all donations and keep records in accordance with generally accepted accounting principles. Donee shall provide S4S with full access to all such records upon receipt of reasonable notice from S4S.

**6. Communications**

- a. Donee shall not contact the original donor. Any communication by the Donee with the original donor shall be made through S4S. Donee expressly acknowledges that any breach of this Agreement or misuse of Donated Products damages and interferes with the business and contractual relationships between S4S and the original donor.
- b. Donee shall not contact any media sources concerning S4S regarding any of the Donated Products that it receives from S4S. In the event any of the Donated Products received from S4S are in a defective condition from any cause whatsoever, Donee shall contact S4S directly and shall not contact any other party including any media sources.

**7. Term & Termination**

- a. This Agreement shall be effective as stated above, even if executed prior to or after such date and shall continue in effect until terminated by either party as provided herein.
- b. Either party may terminate this Agreement for any reason by providing the other party with at least thirty (30) days written notice. Notwithstanding any termination of this Agreement, Donee shall remain responsible for properly distributing any of the Donated Products in its possession pursuant to this Agreement.
- c. Donee expressly acknowledges that all of S4S's offers of the Donated Products are subject to withdrawal or cancellation without prior notice.
- d. Donee acknowledges that any violation of the terms and conditions set forth herein could result in the immediate termination of this Agreement. Further, Donee acknowledges that S4S intends to report any fraud or violations of this Agreement to the proper authorities, and to pursue all civil or criminal penalties, sanctions and remedies to the fullest extent of the law.

**8. Subcontractors.** In the event that Donee should wish to enter into a relationship with any third-party or subcontractor (the "Subcontractor") to distribute the Donated Products to the End-users, Donee shall first disclose to S4S its desire to do so and provide to S4S contact and background information regarding the intended Subcontractor. Donee shall not deliver any Donated Products to the Subcontractor until it receives S4S's explicit written permission to do so. In the event Donee fails to abide by the terms of this section and a loss or misappropriation of Donated Products occurs, then both Donee and Subcontractor shall be jointly and severally liable for all damages, expenses and attorneys' fees that result from the loss or misappropriation.

**9. Hold Harmless & Indemnity.** Donee shall defend, indemnify and hold harmless the directors, officers and employees of S4S and of the original donor of the Donated Products from all actions in a court of law or equity, arising out of, or attributed to, any action by the Donee and/or its

subcontractors in connection with the storage, transportation, distribution, and/or use of the Donated Products supplied by S4S to Donee and/or its subcontractors.

**10. Relationship of the Parties.** Donee is entering into this Agreement with S4S as an independent contractor. Nothing contained in this Agreement is intended or should be construed to create a partnership, joint venture, agency, or landlord tenant relationship between S4S and Donee or its subcontractors or agents.

**11. Governing Law.** This Agreement shall be governed by the Laws of the State of Tennessee

**12. Arbitration.** The parties agree to submit any disputes arising from this agreement to final and binding arbitration under the Commercial Rules of the American Arbitration Association, utilizing the Expedited Procedures. The arbitration hearing shall occur in Nashville, Tennessee. The prevailing party in the arbitration shall be entitled to recover its reasonable attorneys' fees and expenses from the non-prevailing party.

**13. Liquidated Damages.** The parties agree that, should the Donated Products not reach a designated End-user as per this Agreement, S4S shall be entitled to the return of the Donated Products plus reimbursement of any expenses incurred in recovering the Donated Products. If recovery of the Donated Products is impracticable, S4S shall be entitled to recover as liquidated damages from Donee the wholesale value of the Donated Products wrongfully distributed. This will not limit S4S's right to recover attorneys' fees, expenses, and/or punitive damages.

**14. Parties Bound.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement.

**15. Modification.** No modification, addition, termination, discharge, waiver or alteration of any provision of this Agreement shall be binding unless in writing and signed by persons authorized to sign agreements on behalf of S4S and Donee, respectively.

**16. Legal Construction.** If any provision of this Agreement shall be determined to be invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended, to delete or modify, as necessary, the invalid or unenforceable provision, or portion thereof, in order to render valid and enforceable all remaining provisions of the Agreement. Such remaining provisions shall be fully severable and this Agreement shall be construed and enforced as if such invalid or unenforceable provision had never inserted in this Agreement.

**17. Notices.** All notices under this Agreement shall be in writing and shall be sufficiently given if served upon and received by the party, or if faxed, or if sent certified or registered mail, return receipt requested, postage pre-paid, and addressed to the party's address listed above.

**18. Entire Agreement.** This Agreement contains the entire Agreement between the parties hereto with respect to transactions contemplated hereby, and supersedes all prior written or oral agreements or understandings between the parties hereto relating to the subject matter hereof.

**Donee**

**Soles4Souls, Inc.**

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_