

CYCLONE VALVES DISTRIBUTION AGREEMENT

This Product Distribution Agreement (this "Agreement") is made effective as of _____ between _____, of _____, and _____, of _____.

The parties agree as follows:

I. RIGHT TO SELL. _____ owns _____ ("_____"). In accordance with this Agreement, _____ grants _____ an exclusive right to sell the _____ under the terms of this Agreement. This exclusive right to sell only applies to the following described territory: _____ agrees to deliver to _____, on consignment, the _____ . _____ agrees to devote its best efforts to the sale of the _____. All sales prices and terms of sale shall be determined by _____.

II. PROCEEDS OF SALES. _____ will pay to _____ a portion of the sales proceeds which shall be calculated as follows: 0 percent of the proceeds from the sale of the _____. The amount determined in the previous sentence shall be paid to _____ in _____ installment(s) on or before the _____ day following the installment period in which the proceeds were obtained. With each net proceeds payment, _____ will submit to _____ a written report that sets forth the calculation of the amount of the net proceeds payment and the extent of current inventory.

III. RECORDS. _____ shall keep accurate records regarding the quantities of the _____ that are sold. _____ shall have the right to inspect such records from time to time after providing reasonable notice of such intent to _____.

IV. TITLE TO MERCHANDISE. Consigned merchandise shall remain the property of _____ until sold.

V. LOSS AND INSURANCE. _____ shall be responsible for all shortages, loss, or damage, while the merchandise is under the control of _____. _____ shall maintain insurance in adequate amounts to pay for replacement of the merchandise in the event of such shortages, loss, or damage.

VI. PAYROLL TAXES. _____ shall be exclusively liable for, and shall indemnify _____ against such liability for, all employee payroll taxes and insurance arising out of wages payable to persons employed by _____ in connection with the performance of this Agreement.

VII. DEFAULTS. If _____ fails to abide by the obligations of this Agreement, including the obligation to remit the consignment payment to _____ when due, _____ shall have the option to cancel this Agreement by providing _____ days' written notice to _____. _____ shall have the option of preventing the termination of this Agreement by taking corrective action that cures the default, if such corrective action is taken prior to the end of the time period stated in the previous sentence, and if there are no other defaults during such time period.

VIII. DISPUTE RESOLUTION. The parties will attempt to resolve any dispute arising out of or relating to this Agreement through friendly negotiations amongst the parties. If the matter is not resolved by negotiation, the parties will resolve the dispute using the below Alternative Dispute Resolution (ADR) procedure.

Any controversies or disputes arising out of or relating to this Agreement will be submitted to mediation in accordance with any statutory rules of mediation. If mediation does not successfully resolve the dispute, the parties may proceed to seek an alternative form of resolution in accordance with any other rights and remedies afforded to them by law.

IX. WARRANTIES. Neither party makes any warranties with respect to the use, sale or other transfer of the _____ by the other party or by any third party. In no event will _____ be liable for direct, indirect, special, incidental, or consequential damages, that are in any way related to the _____.

X. TRANSFER OF RIGHTS. This Agreement shall be binding on any successors of the parties. Neither party shall have the right to assign its interests in this Agreement unless the prior written consent of the other party is obtained.

XI. TERMINATION.

XII. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement and there are no other promises or conditions in any other agreement, whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties with respect to the subject matter of this agreement.

XIII. AMENDMENT. This Agreement may be modified or amended, if the amendment is made in writing and is signed by both parties.

XIV. SEVERABILITY. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

XV. WAIVER OF CONTRACTUAL RIGHT. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

XVI. APPLICABLE LAW. This Agreement shall be governed by the laws of the State of _____.

XVII. SIGNATORIES. This Agreement shall be signed on behalf of _____ by _____ and on behalf of _____ by _____. This Agreement is effective as of the date first written above.

I understand & agree this is a legal representation of my signature.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the date and year indicated above.

CYCLONE VALVES LLC.

By: Kurt S. Jumisco
(President / CEO)

DISTRIBUTOR

By: _____
(Authorized Officer)