

AUTHORIZED DEALER AGREEMENT

This Authorized Dealer Agreement (“**Agreement**”) is entered into as of the date specified below between Kitchen Resource, LLC (“**KR**”) a Utah limited liability company with its principal place of business located at 180 West 500 North, North Salt Lake city, Utah 84054 and _____ (“**Dealer**”), which has as a principal address _____, on the terms and conditions specified herein as follows:

1. **Relationship.** Dealer understands that it shall, at all times, be an independent contractor subject to the terms of this Agreement. The parties are independent contractors and no agency, partnership, joint venture, employer-employee, or franchiser-franchisee relationship is intended or created by this Agreement. As an independent business, Dealer is in no way authorized to represent or make claims for or on behalf of KR directly, written, or otherwise expressed, without the express written consent of KR.
2. **Business Purpose.** Pursuant to this Agreement, Dealer is authorized to market, advertise, offer to sell, sell and/or fulfill orders of products distributed by KR, also know as “**KR Exclusive Products**” from Dealer’s independent business located at _____. The authorization granted hereunder is for the afore said business address only and Dealer shall not market, advertise, offer to sell, sell and or fulfill orders for KR Exclusive Products from any other location, including but not limited to, the Internet, without KR’s prior written consent thereto. **K.R. Exclusive products may not be sold by Dealer over or through the Internet without a signed, separate Internet Agreement.**
3. **Term.** This Agreement shall remain in effect for a period of one year from the date hereof. Thereafter, this Agreement shall automatically renew for successive one-year periods, unless terminated by either party upon 30 days advance written notice. This Agreement may also be terminated by either party, effective immediately, in the event of material breach by the other party, the occurrence of any event of default described in paragraph 9 below, or any of the other party’s obligations under this Agreement.

Upon termination of this Agreement, KR will, at its option, either (a) fulfill all pending orders in accordance with its terms, in which case all applicable licenses and covenants under this Agreement will survive to the limited extent necessary to fulfill such orders, or (b) cancel all pending orders and immediately refund to Dealer any payments already made for such pending orders and any credits due to Dealer. Further, the parties will promptly reconcile accounts payable and receivable and bring the balance owed, if any, current. Upon termination of this Agreement, Dealer shall no longer include KR Exclusive Products or use the Protected Names, as defined below, in any further advertising, promotions, or on the Internet.

4. **Non-Exclusive License to Trademarks.** Dealer shall at all times be a non-exclusive dealer of KR Exclusive Products. Dealer acknowledges that the following names and trademarks are the exclusive property of KR and that the use of the same by Dealer shall be allowed only in strict accordance with this Agreement: Kitchen Resource, Bosch, Bosch Universal, Bosch Compact, Bamix, Cloer, B/R/K, L’Equip, Lurch, Nutrimill, Vitalmill and any/all exclusive products associated with or manufactured under these exclusive brands, (collectively the “**Protected Names**”). Dealer is encouraged to advertise KR Products. Dealer is hereby granted a limited, non-exclusive license to use the Protected Names. Dealer agrees that all advertising using these names, and/or all advertising of the products purchased by Dealer from KR or one of its authorized distributors shall first be approved by KR, which approval shall not be unreasonably withheld. Upon termination of this Agreement for any reason, Dealer non-exclusive license to use the Protected Names shall terminate and Dealer shall immediately discontinue and abandon the use of all Protected Names and shall cease to advertise or represent itself as an authorized Kitchen Resource Dealer.
5. **Minimum Advertised Pricing (MAP).** KR has built a strong reputation for the quality and versatility of the KR Exclusive Products. By not adhering to the KR established Minimum Advertised Price (MAP) dealers can have a dramatic effect of diminishing or detracting from the perceived value of the KR Exclusive Products. Advertising at prices below the MAP, either in print, on the radio or television, or on the Internet, or other electronic media, or by

word of mouth, has the possibility of causing great harm to KR and the manufacturers of KR Exclusive Products. Therefore, Dealer agrees to abide by the following requirements and restrictions respecting MAP:

- a. Dealer must have a physical address and telephone number as a method of contact.
- b. **Dealer will NOT advertise KR Exclusive Products online over the internet or other electronic media unless Dealer has become an authorized KR Internet Dealer by executing a separate Authorized Internet Dealer Agreement.**
- c. All uses of any Protected Names shall be designated with the proper trademark symbol.
- d. Dealer must NOT advertise KR Exclusive Products below the established MAP. These prices are listed on the KR price sheet (schedule B) and can be adjusted by KR at its sole discretion.
- e. The MAP applies to all advertisement of KR Exclusive Products in all media, including, without limitation, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, television, radio, public signage, books, seminars, Internet, email, word of mouth, or other similar electronic media.
- f. MAP pricing only refers to the minimum advertised pricing. Dealer may establish its own pricing as long as it does not fall below the MAP for the particular KR Exclusive Product.

6. **Dealer Responsibilities.** In order to become and remain a Dealer, and as a condition of the limited license granted hereby, Dealer covenants, warrants and agrees to the following terms and conditions:

- a. Dealer acknowledges and agrees that the key to sales and customer satisfaction is product demonstration, and Dealer agrees to make every possible effort to see that every KR Exclusive Product sold is demonstrated to the customer.
- b. Dealer agrees to acquire a tax exempt number from the appropriate state or provincial agency, and to pay directly to that agency all applicable state or provincial sales taxes on merchandise sold. All sales taxes payable by reason of Dealer's failure to acquire a tax exempt number shall be paid by Dealer.
- c. Dealer shall, at all times, conduct its business in such a manner as will reflect favorably on KR and the manufacturers of KR Exclusive Products. Dealer shall not employ any deceptive or express any misleading or deceptive advertising or promotional materials, and shall not engage in any act which, in the sole judgment of KR, would be harmful or detrimental to KR or any other customers, dealers or distributors of KR.
- d. Dealer acknowledges that KR is the exclusive distributor of the KR Exclusive Products. Dealer agrees that as it is part of KR's dealership network that it will not knowingly sell or distribute KR Exclusive Products to unauthorized or terminated dealers who intend to resell the purchased KR Exclusive Products to customers. Once an unauthorized or terminated dealer becomes a dealer, by executing an Authorized Dealer Agreement, similar to this Agreement, Dealer may distribute KR Product to said new dealer with the express written consent of KR.
- e. Dealer agrees to inform KR of any change of address within thirty (30) days of relocation. Failure to give such notification may result in termination of this Agreement.
- f. Minimum Monthly Volume may be established from time to time by mutual consent.
- g. All purchases by Dealer, unless otherwise approved in writing by KR, shall be by check, money order, or credit card. In the event monies are due and owing by Dealer to KR, the same shall accrue interest at the rate of 18% per annum until paid. In the event KR has Dealer's valid credit card on file, KR will charge the credit card when Dealer's shipment is ready to leave KR's warehouse. Additional C.O.D. and Drop-Ship Services prices, if any, shall be as and in KR policy statements, stated on the Kitchen Resource WEB Site (www.kitchenresource.com). In the event it becomes necessary to collect money due or to seek damages for the violation of any terms of this Agreement, Dealer agrees to pay reasonable attorney fees and all costs of collection to recover the amounts due.
- h. If a product defect is discovered, Dealer shall contact KR immediately so that the problem can be resolved.
- i. Dealer's credit application, if applicable, this signed Agreement and all necessary tax forms must be completed, faxed and approved by KR before Dealer places any orders to KR.

7. **Assignment.** This Agreement is non-assignable and may not be transferred by Dealer to any other person or entity.
8. **Terms of Delivery.** Unless otherwise agreed to in writing, shipment of KR Products shall be freight F.O.B. Kitchen Resource facilities.
9. **Default.** In addition to the other covenants and agreements made herein, Dealer will be in default under this Agreement, and subject to immediate terminate for cause, in the following situations.
 - a. Dealer fails to make any payment when due and such failure is not cured within thirty (30) days, regardless of whether notice of the default is given by KR.
 - b. Dealer breaches any term or condition of this Agreement and such breach is not cured within thirty (30) days after written notice of the breach is given by KR.
 - c. Dealer becomes insolvent or makes a general assignment for the benefit of creditors, or files any petition under Chapters 7, 11, or 13 of Title XI of the United States Code.
 - d. Dealer is convicted of a felony, or any other crime or offense that KR believes is reasonably likely to adversely affect its business reputation, goodwill, or interest therein.
 - e. A change in 50% or more of the ownership interest or a sale of all or substantially all of the assets of Dealer in any given calendar year.
 - f. Dealer misrepresents any policy, service or practice of KR or in connection with KR Products.
 - g. Dealer violates KR MAP Policy.
10. **Warranties/Returns.** KR makes NO warranties, express or implied, as to the KR Products purchased by Dealer. Dealer shall be entitled to rely only upon those written warranties which are provided by the various manufacturers of KR Products. Dealer shall comply with the warranty procedures established by KR and the various manufacturers, which warranties are product specific. No returns will be accepted without the prior authorization of KR. Authorized returns will be inspected before final acceptance and a credit issued. Any product returned for credit must be returned within 30 days of purchase, must be factory fresh, must be packed in the original carton, must be free of store pricing and markings and must be shipped prepaid. A 20% restocking fee will apply to all non-defective items.
11. **Confidentiality.** KR and Dealer each agree to keep confidential all information including, without limitation, the terms to this Agreement, any business and financial information regarding KR, product designs, customer and vendor lists, and pricing and sales information concerning either party hereto.
12. **Entire Agreement and Amendment.** This Agreement constitutes the entire understanding between the parties hereto with respect to non-Internet sales of KR Products and supersedes any prior agreements or understandings. This Agreement cannot be amended by any oral agreement or understanding or by any past practice or course of dealing. No sales representative or non-authorized employee of KR has any authority, express or implied, to amend, alter or change this Agreement. KR reserves the right to modify any terms and conditions contained in this agreement at any time.
13. **No Waiver.** A failure by either party to require performance of any term or obligation of this Agreement shall not be a waiver of its right to (1) subsequently enforce such term; (2) enforce other terms of this Agreement; or (3) terminate this agreement
14. **Applicable Law.** This Agreement shall be enforced and interpreted under the laws of the State of Utah, U.S.A. as applicable to contracts or agreements executed in or to be performed in the State of Utah, U.S.A. Any action to enforce this Dealer Agreement shall be brought in State Court in Davis County or Federal Court in the District of Utah, Central Division. Both parties agree to be subject to jurisdiction and venue in either State Court in Davis County or Federal Court in the District of Utah, Central Division.
15. **Limitation of Liability.** DEALER AGREES TO INDEMNIFY AND HOLD HARMLESS KR AND ITS SUBSIDIARIES AND AFFILIATES, AND ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, PARTNERS, MEMBERS AND OTHER OWNERS, AGAINST ANY AND ALL CLAIMS, ACTIONS, DEMANDS, LIABILITIES, LOSSES, DAMAGES, JUDGMENTS, SETTLEMENTS, COSTS, AND

EXPENSES (INCLUDING LEGAL FEES) INSOFAR AS SUCH LOSSES, OR ACTIONS IN RESPECT THEREOF, ARISE FROM OR ARE BASED ON: 1(ANY FAILURE OR BREACH OF ANY REPRESENTATION, WARRANTY, COVENANT, OR AGREEMENT MADE BY DEALER HEREIN; 2) ANY MISUSE OF KR'S PROTECTED NAMES; AND 3)ANY CLAIM RELATED TO DEALER'S BUSINESS, WEB SITE, OR OPERATIONS OF ANY KIND.

IT IS SO AGREED THIS _____ day of _____, 20_____.

KITCHEN RESOURCE, LLC

DEALER

NAME _____
TITLE _____

NAME _____
TITLE _____