

PAVERART LLC Authorized Distributor Agreement

This agreement is made this _____ day of _____, 20____, by and between Paverart LLC, a New Jersey limited liability company ("Paverart"), and _____ ("Distributor"), a _____.

GENERAL

1. Paverart designs, manufactures and markets paver products under a patented process ("Products"). Its designs are protected under copyright applications and registrations with the United States Patent and Trademark office.
2. Distributor is a wholesaler of paving products and desires to purchase Products, from Paverart at wholesale, on the terms and conditions contained herein, and resell such products to its customers. Distributor has submitted to Paverart a completed and executed Distributor Application.
3. Any offer to sell by Paverart as well as any acceptance by Paverart of a Distributors order is expressly made conditional upon Distributor assent to the following terms and conditions of sale. Distributors taking delivery of any Product or payment of any invoice will be conclusive evidence of such assent.
4. The parties, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, agree as follows:

AGREEMENT

1. AUTHORIZED DISTRIBUTOR

In reliance on the information provided to Paverart by Distributor in the Distributor Application, Paverart hereby accepts Distributor as an authorized Paverart distributor and grants the Distributor a non-exclusive right to sell Products to its customers from its Distributor location(s) noted on the Distributor Application.

2. MARKETING

The Distributor will use its best efforts to promote sales of Products. All marketing and advertising materials (including brochures, displays, newspaper ads, mailers, internet sites, etc.) which include the Paverart name, logo or copyright design must be approved in writing by Paverart prior to use.

3. DISTRIBUTOR OBLIGATIONS

- 3.1 Distributor will maintain adequate facilities, inventory and sales personnel to achieve the maximum sales potential for Products.
- 3.2 Distributor will at all times maintain its establishment(s) and its display of Products in a condition satisfactory to Paverart. Paverart or its agents or representatives will have the right during business hours to inspect the Distributor's establishment(s). Distributor will at all times comply

with Paverart's reasonable requests regarding the sales, promotion, display and merchandising of products and the maintenance and promotion of the image of the Paverart brand.

- 3.3 Distributor will pay for Products pursuant to the terms agreed by the parties. Distributor must pay for all orders prior to shipment unless Paverart, at its sole discretion, has extended credit terms. If Paverart extends credit terms to Distributor on open account, Distributor must pay, in a timely manner, the entire amount of Paverarts invoice according to such terms. If Distributor fails to pay Paverarts entire invoice when due, Distributor will pay interest on any delinquent unpaid balance at one and one-half percent (1½%) per month simple interest. Distributor will continually comply with all of the specific credit terms in effect for Distributor, as well as general terms in Paverarts shipping, sales and credit documents.
- 3.4 From time to time, upon Paverarts request, Distributor will promptly provide to Paverart supporting documentation for information supplied on the Distribution Application and updated financial and credit information.
- 3.5 If any information supplied by Distributor on the Distribution Agreement should materially change while this agreement is in effect, Distributor will promptly provide Paverart with such changed information.
- 3.6 Distributor must notify Paverart in writing immediately upon a change in the ownership or control of Distributor. For purposes of this Agreement, a change in ownership or control of Distributor will be deemed to have occurred upon the change in ownership or control of a thirty percent (30%) or greater interest in Distributor.

4. PAVERART OBLIGATIONS

Paverart will use commercially reasonable efforts to fill all accepted and approved orders, subject to delays caused by manufacturing issues, strikes, natural disasters, acts of God or any other similar causes that are beyond the control of Paverart. In the event Paverart is unable to fill any accepted and approved orders within a reasonable time after delivery was promised, Distributors sole remedy will be to cancel the order upon written notice to Paverart. Such notice must be received by Paverart prior to shipment of the Products that are the subject of the order.

5. PRICES

Paverart will sell Products to Distributor at the prices set forth in its then current Distributor price schedule, less any available discounts. All prices are FOB Paverart factory in Swedesboro, New Jersey or other reasonable locations specified by Paverart. Paverart reserves the right to change such prices at any time and from time to time without notice. Orders confirmed before any price change will be honored at the confirmed price.

6. ORDERS

- 6.1 Purchases of Products hereunder will be made by delivery to Paverart of Distributors written purchase orders specifying in reasonable detail the types,

quantities and delivery dates of Products ordered. No purchase order will be binding upon Paverart until accepted in writing by virtue of Paverart issuing an order confirmation. Within five (5) days after receipt of Paverarts order confirmation, Distributor must notify Paverart of any errors in the order confirmation, otherwise, the terms of the order confirmation will be deemed to accurately reflect the Distributors order. Nothing in this agreement is intended to create any duty on the part of Paverart to accept any order, it being expressly understood that the acceptance or rejection of any order is at the sole discretion of Paverart. Paverart reserves the right, in its sole discretion, to cancel any order if: (i) Paverart determines that it has not received enough orders to warrant manufacturing an item; (ii) Distributor has not complied with all of the terms of this agreement, including, but not limited to, the timely payment of Paverarts invoices; and (iii) Paverart has reason to question Distributor's creditworthiness.

6.2 All orders are accepted by the main office of Paverart and no field representative of Paverart has the authority to accept or change any terms or conditions of sale or to bind Paverart.

6.3 All purchases of Products by Distributor will be subject to the terms and conditions contained herein. Nothing contained in Distributors purchase order will in any way modify the terms of purchase contained in this agreement or any additional terms unless mutually agreed upon.

6.4 Distributor understands that Paverart will incur substantial expense and cost after receipt of Distributors order to accumulate and purchase specific raw materials and allocate and adjust its manufacturing capacity and schedules. Orders are not cancelable and can not be changed under any circumstances without written authorization from Paverart. Cancellation or change order charges may be applicable if Paverart accepts the order cancellation or change order.

7. SHIPPING

7.1 Distributor is responsible for shipping of the Products from Paverarts factory (or other locations) to its desired locations and Distributor will be responsible for all related shipping charges including insuring the goods. Upon delivery of the Products to a common carrier for delivery to Distributor, such common carrier will be deemed an Agent of the Distributor. The Distributor will be responsible for making claims for any damages, losses or shortages caused during shipping with the motor freight company, if applicable.

7.2 Paverart may, at its sole discretion, make partial shipments of any orders. Distributor will pay for such partial shipments in accordance with the standard payment terms agreed to by the parties. Partial shipment of an order will not relieve the Distributor from its obligation to accept future shipments to fill the balance of the order.

8. RETURNS

Paverart will not accept returns of any Products unless such Products contain a manufacturing defect, and then only if Paverart has authorized such return in writing. Distributor must notify Paverart of such manufacturing defect within fifteen (15) days after Distributor's receipt of the Products. No returns will be accepted unless accompanied by Paverart's original invoice number and a return authorization number provided by Paverart. The responsibility of payment for shipping costs for returned Products will be agreed upon between Paverart and the Distributor prior to return shipment of the Products.

9. DISTRIBUTORS REPRESENTATIONS AND WARRANTIES

Distributor represents and warrants that all information provided in the Distribution Application is true and correct as of the date of such application. Distributor further represents and warrants that it has not sold and will not sell Products to persons or entities located outside the United States or that are likely to engage in re-wholesaling, either within or without the United States.

10. NON-DIVERSION OF PRODUCTS

Distributor acknowledges that Paverart's relationships with its distributors, throughout the country, are valuable to Paverart and that Paverart's ability to control the distribution of Products is essential to the continued viability of the Paverart brand and as a business enterprise. Therefore, in consideration of Paverart's willingness to appoint Distributor as an authorized Paverart distributor or to continue status as an authorized Paverart distributor, Distributor acknowledges that if Paverart determines that any Products sold to Distributor at any time, either prior to or after the date of this Agreement, have been resold or otherwise transferred by Distributor to any other distributor, wholesaler, intermediary, or agent of any other person or entity, foreign or domestic, that Distributor knew or should have known had the intent to resell the Products at wholesale, authorized status may be terminated immediately.

11. RELATIONSHIP OF THE PARTIES

Distributor agrees that it will not represent itself as having any relationship to Paverart other than that of an independent distributor. Distributor will neither have, nor hold itself out as having, the power to make contracts in the name of or binding on Paverart, nor will it have the power to pledge credit or extend credit in the name of Paverart. Distributor may identify itself as an authorized Paverart distributor solely for the purposes stated in this Agreement.

12. WARRANTY

Paverart warrants the Products to be first quality merchandise, unless otherwise agreed by the parties. EXCEPT AS OTHERWISE SPECIFIED HEREIN, PAVERART MAKES NO OTHER REPRESENTATIONS OR WARRANTIES OF ANY NATURE, DIRECTLY OR INDIRECTLY, EXPRESS

OR IMPLIED, AS TO THE SUITABILITY, DURABILITY, FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, CONDITION OR QUALITY OF THE PRODUCTS. PAVERART AND ITS ASSIGNEES WILL NOT BE LIABLE TO DISTRIBUTOR FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR HARM, INCLUDING, BUT NOT LIMITED TO, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR EXEMPLARY DAMAGES, CAUSED DIRECTLY OR INDIRECTLY BY PRODUCTS OR THE USE THEREOF, OR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED, EVEN IF PAVERART HAS BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING. IN NO EVENT WILL PAVERART'S LIABILITY WITH RESPECT TO ANY ORDER EXCEED THE AMOUNT ACTUALLY PAID BY DISTRIBUTOR WITH RESPECT TO SUCH ORDER. DISTRIBUTOR HEREBY REPRESENTS AND WARRANTS THAT IT WILL NOT RELY ON ANY VERBAL STATEMENT BY ANY PAVERART REPRESENTATIVE TO ALTER OR AMEND THE WARRANTIES AND LIMITATIONS THERETO STATED HEREIN.

13. INTELLECTUAL PROPERTY RIGHTS

13.1 Distributor acknowledges and agrees that Paverart has a patent pending along with various copyright and trademark applications and registrations ("Intellectual Property") used in connection with the Products, and that Distributor will not acquire any right or interest in or to any good will or the Intellectual Property other than as set forth in this Agreement. Paverart hereby grants Distributor a non-exclusive license to use the Intellectual Property in any advertising or marketing but only for the purpose of identifying Products or Distributor's status as an authorized Paverart distributor in such medium. Distributor will not use any of the Intellectual Property in a disparaging manner or in any manner that would tend to mislead the public or place such Intellectual Property in a false light.

13.2 Upon termination of this Agreement, Distributor will discontinue use of the Paverart name and Intellectual Property in any advertising and marketing and thereafter will not use the Paverart name or Intellectual Property directly or indirectly in connection with Distributor's business, or use any other name, title or expression so nearly resembling Paverart's name or Intellectual Property as would be likely to lead to confusion or uncertainty or to deceive the public.

13.3 Upon Paverart's request, Distributor will provide Paverart with copies of any and all Distributor ads utilizing any Paverart Intellectual Property. Paverart reserves the right to require Distributor to obtain Paverart's approval prior to any use of any Intellectual Property in Distributor's advertisements.

14 TERMINATION

14.1 Either party on sixty (60) day's written notice to the other may terminate this Agreement for any reason, but without prejudice to any rights of either party to moneys due or to become due under this Agreement.

14.2 Upon the termination of this Agreement for any reason, Distributor will discontinue the use of Paverart's name and Intellectual Property and will remove all signs and displays relating thereto from its premises. In the event Distributor fails to do so, Paverart may itself remove such articles at Distributor's expense.

14.3 Upon the termination of this Agreement for any reason, Paverart will have the option to repurchase the Products then in the possession of Distributor, at prices originally billed to Distributor and with deductions for damaged merchandise and moneys due or to become due to Paverart under this Agreement. As to any of the Products not repurchased by Paverart, Distributor will have the right to dispose of them in the regular course of its business, and for this purpose the restrictions of the preceding subparagraph will be deferred until 12 months after the termination of this agreement or until all such Products are sold, whichever is earlier.

14.4 Without limiting any of its other rights or remedies, Paverart may terminate Distributor's status as an authorized Paverart distributor and this Agreement upon ten (10) days written notice if Distributor breaches any of the terms of this Agreement. If Distributor cures such breach within such ten (10) day period, Paverart may, in its sole discretion, elect to continue the Agreement in effect and will so notify Distributor in writing.

14.5 Paverart may, in its sole discretion, without limiting any of its other rights or remedies, terminate this Agreement immediately upon the occurrence of any of the following:

14.5.1 Distributor becomes insolvent, a petition for voluntary or involuntary bankruptcy is filed by or against Distributor, a receiver is appointed, or Distributor makes an assignment for the benefit of its creditors;

14.5.2 an assignment or attempted assignment by Distributor of any interest in this agreement without Paverart's written consent;

14.5.3 any change in ownership or control of Distributor,

14.5.4 the death or incapacity of Distributor's principals; or

14.5.5 Distributor breaches any of its representations or warranties contained herein.

Distributor will advise or cause Paverart to be advised immediately in writing if any of the abovementioned specified events occurs. Termination of this agreement will not prejudice any rights or remedies that either party may otherwise have against each other.

15. MISCELLANEOUS

15.1 Binding Effect. This agreement will be binding only when accepted and executed by an officer of Paverart. This Agreement will be deemed to have been made in New Jersey and will be governed by New Jersey law.

15.2 Assignment. The rights and duties of Distributor under this agreement may not be assigned or

delegated in whole or in part by operation of law or otherwise without the prior express written consent of Paverart. It is expressly understood that any material change (i.e., a change of thirty percent (30%) or more) in the direct or indirect ownership or control of Distributor, any merger or consolidation directly or indirectly involving Distributor, any acquisition by or of Distributor or any other substantial change in Distributors organization would be an assignment within the meaning of this provision. Subject to the foregoing this Agreement will bind and inure to the benefit of the respective parties hereto and their heirs, personal representatives, successors and assigns.

- 15.3 Enforcement of Terms. Failure by either party to this Agreement at any time or from time to time to enforce any of the provisions of this Agreement will not be construed to be a waiver of such provision or of such party's right to thereafter enforce each and every provision hereof.
- 15.4 Taxes. Distributor will be solely responsible for any and all sales, excise, use or property or other tax, tariff, duty or assessment levied by any governmental body or agency, arising out of or relating to any transaction contemplated by this Agreement.
- 15.5 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
- 15.6 Expenses of Suit. The prevailing party in any legal action brought by one party against the other to enforce any provision of this Agreement will be entitled, in addition, to any other rights and remedies it may have, to reimbursement for its expenses incurred thereby, including court costs and reasonable attorneys fees.
- 15.7 Modification; Waiver. No modification, change or amendment to this Agreement, or any waiver of any rights in respect hereto, will be effective unless in writing, signed by a duly authorized representative of each party. The waiver of one breach or default hereunder will not constitute the waiver of any subsequent breach or default.
- 15.8 Severability. If for any reason any provision of this Agreement, including, but not limited to, any provision relating to termination of this Agreement, will be deemed by a court of competent jurisdiction to be legally invalid or unenforceable in any jurisdiction to which it applies, the validity of the remainder of the Agreement will not be affected and such will be deemed modified to the minimum extent necessary to make such provision consistent with applicable law, and, in its modified form, such provision will then be enforceable and enforced.
- 15.9 Survival. All terms and conditions of this Agreement that are intended to be observed and performed after the expiration or termination of this Agreement will survive such expiration or termination, and will continue thereafter in full force and effect.
- 15.10 Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties

hereto with respect to the subject matter of this Agreement and supersedes all prior agreements, whether written or oral, with respect thereto.

- 15.11 Jurisdiction. Distributor agrees that any legal action or proceeding with respect to this Agreement, or any action or proceeding to execute or otherwise enforce any judgment obtained against Distributor or any of its properties, must be brought in the courts of the State of New Jersey or in the federal courts of the United States for the State of New Jersey, and by executing and delivering this Agreement, Distributor irrevocably submits to each such jurisdiction. Distributor irrevocably waives any objection which it may now or hereafter have to the venue of any suit, action or proceeding, arising out of or relating in any manner to this Agreement brought in the courts of the State of New Jersey or in the federal courts of the United States for the State of New Jersey, and hereby further irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PAVERART LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

DISTRIBUTOR

Company Name: _____

By: _____

Printed Name: _____

Title: _____

Date: _____