



Hello!

Thank you for your interest in becoming an authorized StainOut System Distributor. Before you begin your application process, we wanted to inform you that there are a few requirements for becoming a StainOut System Distributor. Please read these requirements thoroughly to make sure that our requirements fit in with your current and future business model.

1. A minimum initial stocking order is required in order to finalize your distributor application and open your account.
2. There is a yearly purchase minimum amount that distributors must meet in order to maintain distributorship and receive special distributor pricing.
3. We ask that distributors keep stock of StainOut System products.
4. All distributors must agree and adhere to our current Minimum Advertised Price (MAP) Policy, Page 3 of the Distributor Application.

If these requirements fit your business model, please find the attached StainOut System Distributor Application. Your company's owner and/or authorized officer must complete, sign, and initial the application and return to us for review.

Completed applications may be emailed to info@stainoutsystem.com.

Please contact us if you have any questions or concerns.

Sincerely,
StainOut System
(760) 224-9352
info@stainoutsystem.com



1611-A South Melrose Dr. #207 Vista, CA • (760) 224-9352 • info@stainoutsystem.com • www.stainoutsystem.com

APPLICATION FOR DISTRIBUTORSHIP

Company Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone #1: _____ Phone #2: _____ Fax: _____

E-Mail Address: _____ Website: _____

Public Corp. Private Corp. Partnership* Sole Proprietorship*

Date Business Started: _____ Date Incorporated: _____

Corporate ID#: _____ Owner/Primary Corporate Officer: _____

Primary Purchasing Contact: _____

Other Persons Authorized to Purchase: _____

Business Type: _____

How did you hear about us? _____

Proprietorship

Last Name: _____ First Name: _____ MI: _____ Suffix: _____

City: _____ State: _____ Zip Code: _____

Phone #1: _____ Phone #2: _____ Fax: _____

E-Mail Address: _____

Resale Information

I hereby certify that I hold valid sellers permit number _____ issued pursuant to the Sales and Use Tax Law of my state. I also certify that the tangible personal property described herein which I shall purchase from StainOut System® will be resold by me in the form of tangible personal property. However, in the event that any such property is used for any purpose other than retention, demonstration, or display while holding it for sale in the regular course of business, it is understood that I am required by the Sales and Use Tax Law to report and pay for the tax, measured by purchase date of such property.

Signature: _____ Date: _____

Print Name: _____

LIST OF REFERENCES

(Only fill out if you are applying for an open credit account)

Company Name: _____

Name of Contact: _____ Phone: _____

E-Mail: _____

Monthly Purchasing Amount: \$ _____ Are you consistent in paying monthly invoices? YES / NO

Company Name: _____

Name of Contact: _____ Phone: _____

E-Mail: _____

Monthly Purchasing Amount: \$ _____ Are you consistent in paying monthly invoices? YES / NO

Company Name: _____

Name of Contact: _____ Phone: _____

E-Mail: _____

Monthly Purchasing Amount: \$ _____ Are you consistent in paying monthly invoices? YES / NO

ADVERTISING POLICY

StainOut System has the following advertising policy, consistent with StainOut System's suggested retail prices ("MSRP"). This policy enables us to remain competitive in the marketplace, provide high-quality products to our customers, provide proper servicing of StainOut System's products, and protect and promote StainOut System's trademarks. You **MUST** comply with this policy. A failure to comply may result in StainOut System's decision, at StainOut System's sole discretion, to immediately revoke your authorization to purchase and resell StainOut System's products.

You may sell StainOut System's products at any prices that you choose. This policy applies only to advertisement and does not apply to your actual sales price, which you may establish in your sole discretion.

Accordingly:

- You shall not advertise, list, represent or promote any StainOut System product at a price below StainOut System's current MSRP for that product. This policy applies to any advertisement, solicitation, promotion, or auction whatsoever, whether by print, radio, television, telephone, facsimile transmission, billboard, on-line, internet, e-mail, web-site or web-based. This policy does not apply to displays, banners, price tags/markings, or quotes so long as they are printed and made in-store.
- You shall not advertise any StainOut System Product as free. You shall not make any statement, offer, or suggestion that your actual sales price is or will be below MSRP or that you have, offer, or will offer discounted pricing below MSRP on StainOut System's products. This applies even if your advertisement does not actually name a price, or prices named in the advertisement meet or exceed MSRP.
- When multiple StainOut System products are referenced in an advertisement, the bundle price must be at least the sum of the individual MSRPs.
- If StainOut System's products are bundled with non-StainOut System products, the joint price must equal the sum of the MSRP's for the individual StainOut System products and any suggested retail prices for the non-StainOut System products.
- You may offer a "gift" with purchase of a StainOut System product. However, the value of the "gift" may not be subtracted from MSRP to suggest a price below MSRP.
- You may advertise "call for price" or "e-mail for price" so long as you do not otherwise suggest discounted pricing. However, for internet, website, or web-based advertisements you may not state "click for price," "add to cart for price," "view price in cart," or similar offer.
- You may advertise that you offer financing, payments, or lay-away so long as you do not state terms and/or dollar amounts which correspond with a price less than MSRP.
- You may advertise discounted or free installation, service, training, or delivery with purchase unless these activities are set with a value which causes the purchase price to be less than MSRP.

This policy may be changed at any time in StainOut System's sole discretion. If you have any question regarding your advertising or this policy you must contact a StainOut System manager or officer; no other StainOut System employee is authorized to comment on your advertising or confirm your compliance with this policy.

Applicant/Business Name

Date

Signature (Signing on behalf of Applicant/Business)

Print Name

AGREEMENT AND GUARANTEE

In consideration for StainOut System selling goods and/or services to Applicant distributor and in the event StainOut System extends credit to Applicant, Applicant and Guarantor agree to the following terms and conditions:

1. Applicant shall pay all invoices on or before the net due date shown on the invoice. Applicant has no right to extension of any credit by StainOut System; any credit extended by StainOut System shall be in amounts, at rates, at times, for time periods, and for reasons as may be determined in the sole discretion of StainOut System. In the event Applicant fails to make timely payment of any statement or invoice, StainOut System has the right to immediately terminate any extension of credit to Applicant, and all charges to Applicant shall become immediately due and payable. Applicant may be terminated as a distributor at any time in StainOut System's sole discretion.
2. Applicant agrees to StainOut System's limited warranty policy, which policy Applicant acknowledges disclaims all other warranties other than the warranties set forth in said policy, and limits Applicant's remedies for damages or injury.
3. Applicant's purchase orders to StainOut System shall specify the number of units to be shipped, identify the type of units by StainOut System's model or part number in StainOut System's price list and state the preferred method for shipment. No terms or conditions of purchase orders that are different from, or in addition to, the terms set forth herein will become part of any transaction between StainOut System and Applicant (or any agent or assign of Applicant) unless specifically approved in a writing executed and delivered by an officer of StainOut System. The terms of this agreement and guarantee supersede any terms on purchase orders, invoices, or bills of lading not issued by StainOut System. Applicant agrees that StainOut System makes no representation or promise regarding the availability or supply of StainOut System's products, and that certain products may be unavailable for purchase by Applicant unless, in the sole discretion of StainOut System, StainOut System allows Applicant to purchase them.
4. Applicant agrees to pay service charges of one and one half percent (1.5%) per month (18% annually) on any amounts unpaid 30 or more days from date of statement or invoice.
5. All prices stated by StainOut System are FCA StainOut System's address in Vista, California, and do not include transportation costs, or federal, state or local taxes, which taxes costs and taxes shall be borne by Applicant. Any taxes StainOut System is obligated to collect shall be invoiced to Applicant, and Applicant is obligated to provide valid tax exemption certificates from all appropriate taxing authorities.
6. Applicant agrees to follow the current version of the StainOut System Distributor Advertising Policy, and any subsequent versions of this policy. Applicant hereby acknowledges receipt of a copy of this policy.
7. Applicant shall use its best efforts to promote the sale of StainOut System's products, including by (a) establishing and maintaining appropriate, attractive and accessible facilities for the display and demonstration of those products, (b) providing adequate and trained technical and sales staff, (c) undertaking appropriate marketing efforts in accordance with StainOut System's distributor advertising policy to stimulate sales of StainOut System's products, and (d) establishing and maintaining a website with a link to StainOut System's website and an e-mail account for purposes of accepting and responding to inquiries regarding StainOut System's products.
8. If StainOut System attempts to collect against, or institutes suit against, Applicant or Guarantor for amounts due to StainOut System under this agreement, StainOut System shall be entitled to reimbursement and recovery of all its attorney's fees, costs, and expenses involved in prosecuting collection attempts or suit, and in enforcement of any judgment rendered.
9. This agreement is made and performed in San Diego County, California, U.S.A. The validity, construction and performance of this agreement shall be governed by the laws of the State of California, without respect to conflicts of laws principles. The parties agree that the exclusive jurisdiction of any legal action arising from or related to this agreement, or between StainOut System, Applicant and/or Guarantor, regardless of the nature of the claims, shall be in the State of California and no legal action shall be commenced elsewhere. The parties agree that the venue of any such legal action shall be San Diego County, California.
10. No act, representation or indulgence of StainOut System, including accepting late payment or making other payment arrangements, will waive, estop or impair StainOut System's right to immediate payment for any or all amounts due or owing, or will waive, estop or impair any other right under this agreement. No such act, representation, or indulgence shall be binding unless made in writing, executed, and delivered by an officer of StainOut System. There shall be no condition precedent to Applicant's unconditional obligation to pay amounts due or owing to StainOut System, or for the undersigned Guarantor's obligation to guarantee payment. Applicant and Guarantor hereby waive any right(s) to diligence, demand for payment, presentment for payment, or notice of default or non-payment. StainOut System may pursue claims against Applicant and/or Guarantor jointly or severally in StainOut System's sole discretion, without notice. All of StainOut System's rights hereunder are cumulative and not alternative.

11. In consideration of StainOut System selling goods and services to Applicant, its subsidiaries and/or affiliated companies, I, the undersigned Guarantor, as an individual, hereby agree to the terms of this agreement, and I personally guarantee Applicant's obligations hereunder and personally agree to pay to StainOut System any obligations of Applicant. Further, I agree to personally indemnify and hold harmless StainOut System for all of StainOut System's attorney's fees, costs, expenses incurred in enforcing this agreement against Applicant. These personal guarantees are general, absolute and irrevocable, are guarantees of payment and not of collection, and are binding on my heirs and assigns. These guarantees are enforceable by StainOut System, its successors and assigns, and inure to the benefit of StainOut System's successors and assigns. My personal liability as Guarantor is primary, direct, unconditional, and independent of obligations of Applicant. I subordinate any obligations that Applicant may have to me to the obligations of Applicant to StainOut System.

Applicant/Business Name

Date

Signature (Signing on behalf of Applicant/Business and individually as Guarantor)

Print Name

StainOut System is an eco-friendly and paperless company.
E-MAIL COMPLETED APPLICATION TO INFO@STAINOUTSYSTEM.COM