



DISTRIBUTION AGREEMENT

THIS AGREEMENT entered into this _____ day of _____, 20____, by and between Haynes Foundation Inc. (hereinafter referred to as "HF") of P.O. Box 869, Sicklerville, NJ 08081, a 501(c)(3) Corporation, and _____ (hereinafter referred to as "Donee") located at _____

Term. This Agreement shall be effective as of the ___ day of _____, 20__ even if executed prior to or after such date and shall continue in effect until terminated by either party as provided herein.

Parties Relationship. HF has offered to provide and supply new and gently used donated products (the "Donated Products"), as available, to Donee in HF's sole discretion. By accepting any Donated Products from HF, Donee hereby understands, warrants, represents, guarantees and covenants to abide by the following terms and conditions:

Primary Terms and Conditions.

1. Donee shall not distribute any of the Donated Products without first receiving written approval from HF regarding the destination where the Donated Products will be distributed and a general description of the needy people who will receive the Donated Products (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. Donee shall provide HF with 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.

3. Donee shall provide HF with a brief 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.

4. 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.

Additional Terms and Conditions.

1. 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 HF. Donee shall submit other evidence of exempt status as requested by HF in HF's sole discretion.

2. HF 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. The original donor is the original source of the Donated Products.

3. All Donated Products are accepted by Donee on an "as-is" basis.

4. Donee shall inspect all Donated Products received from HF. Donee shall notify HF promptly if any Donated Products are damaged or cannot be used safely.

5. 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.

6. Donee shall secure and maintain all necessary licenses, certifications or approvals as required by federal, state, county or municipals laws and/or regulations, and shall remain in good standing with all appropriate governmental entities.

7. Donee shall hold the directors, officers and employees of HF and of the original donor of the Donated Products harmless 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 HF to Donee and/or its subcontractors.

8. Donee shall use the Donated Products it receives from HF 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. In the event that Donee should wish to enter into any relationship with any subcontractor (the "Subcontractor") to distribute the Donated Products to the End-users, Donee shall first obtain written approval of any Subcontractor from HF and shall have the Subcontractor execute a Subcontractor Agreement in the form attached hereto as Exhibit A. The executed Subcontractor Agreement shall be returned to HF and approved by HF in writing, prior to Donee's delivery of any Donated Products to the Subcontractor. In the event Donee fails to have a Subcontractor pre-approved by HF, or should Donee's Subcontractor breach the terms of the Subcontractor Agreement, then both Donee and Subcontractor shall be jointly and severally liable for all damages, expenses and attorneys' fees incurred pursuant to this Agreement and the Subcontractor Agreement.

9. Donee shall adhere to all written policies, terms, and conditions of HF and the original donors that are currently in effect, or may hereafter be implemented by HF.

10. Donee shall not contact the original donor. Any communication by the Donee with the original donor shall be made through HF. Donee expressly acknowledges that any breach of this Agreement or misuse of Donated Products damages and interferes with the business and contractual relationships between HF and the original donor.

11. Donee shall record all donations and keep records in accordance with generally accepted accounting principles. Donee shall provide HF with full access to all such records upon receipt of reasonable notice from HF.

12. Donee expressly acknowledges that all of HF's offers of the Donated Products are subject to withdrawal or cancellation without prior notice.

13. Donee shall not contact any media sources concerning HF regarding any of the Donated Products that it receives from HF. In the event any of the Donated Products received from HF are in a defective condition from any cause whatsoever, Donee shall contact HF directly and shall not contact any other party including any media sources.

14. 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 HF 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.

15. Donee agrees to promptly notify HF in writing when there are significant changes in the management, purpose or operations of Donee.

16. Special Terms and Conditions (If any):

Notice of Termination. 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.

Relationship of the Parties. Donee is entering into this Agreement with HF 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 HF and Donee or its subcontractors or agents.

Costs and Fees. In the event that HF is forced to hire legal counsel to enforce any of the provisions of this Agreement, Donee shall be responsible for all legal fees and expenses incurred by HF, including, but not limited to, the reasonable value of the time spent by HF employees.

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.

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 HF and Donee, respectively.

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.

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.

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

By: _____

Its: _____

Date: _____

Haynes Foundation Inc.

By: _____

Its: _____

Date: _____