



Water Tests & Analysis, Systems Design, Equipment & Supplies
Office: 719-687-2928 ■ www.livingwatersway.com

LIVINGWATERS™ ENGINEERED WATER TREATMENT SOLUTIONS AUTHORIZED DEALER AGREEMENT NON-EXCLUSIVE TERRITORY

Date: _____

This Agreement, made and entered into as of the date above is by and between LivingWaters™ Engineered Water Treatment Solutions, of Woodland Park, Colorado and/or its successors and assigns, hereinafter called the “Company”, and

_____ hereinafter called the “Dealer”.
(Print Dealer’s Name)

(Dealer’s Business Name, if applicable)

(Owner or Principal)

(Dealer’s Federal Tax ID or Social Security Number
Number)

(Dealer’s Resale or Tax Exempt Certificate
Number)

WITNESS:

TYPE OF DEALERSHIP

Consumer Products Reseller

Professional Full Line Dealer (Requires licensed plumber or other qualified installer)

Stocking Dealer: Yes No

WHEREAS, the Dealer (which term when hereinafter used shall be deemed to include all of the Dealer's authorized representatives) desires to obtain from the Company (when hereinafter used shall be deemed to mean LivingWaters™ Engineered Water Treatment Solutions and/or its successors or assigns or affiliated companies) and the Company desires to grant to Dealer (on the terms and conditions set forth below) substantial and valuable 1) training; and 2) marketing materials and methods; and 3) support to improve the Dealer's ability to engage in the water treatment business; as well as 4) the non-exclusive right to import, sell and distribute the Products (as hereinafter defined) in any Territory (as hereinafter defined in an addendum to this contract); and

WHEREAS, the Company is entering into this Agreement based on assurances that Dealer will devote its best and adequate efforts to market and sell said Products in the Territory and otherwise adhere to all the terms and conditions of this Agreement; and

WHEREAS, in contemplation of this agreement the Dealer shall represent the Company in solicitation of sales for Company products, and as a part of this activity there will be revealed to the Dealer certain trade secrets, business or trade practices and business solicitation procedures which have been developed at great cost and much value expended on behalf of the Company;

NOW, therefore, in consideration of said Dealer and of the profits to be received from time to time from the sale of Company products by the Dealer, and in consideration of the mutual covenants herein set forth, the parties hereby agree as follows:

1. CERTAIN DEFINITIONS: For the purposes of this Agreement, the following definitions shall apply;
 - 1.1. "Dealer" shall mean any person, group of persons, or other legal entity operating to sell Company's Products under the terms of this Agreement.
 - 1.2. "Dealership" shall mean the type of Products the Dealer will be allowed to sell on behalf of the Company as defined by the terms "Consumer Products Reseller" or "Authorized Dealer".
 - 1.3. "Consumer Products Reseller" shall mean a Dealership entitled to sell only those products designated by the Company as "Consumer Products."
 - 1.4. "Consumer Products" shall mean those Products the Company determines as not requiring professional installation or service.
 - 1.5. "Professional Full-Line Dealer" shall mean a Dealership entitled to sell the full line of the Company's Products, whether or not they require professional installation and/or service, based on the Dealer's representation to the Company that the Dealer has appropriately trained and licensed individuals capable of providing said professional installation and/or service of the Company's Products.
 - 1.6. "Affiliated Company" shall mean any legal entity controlled directly or indirectly to the extent of holding at least fifty (50%) percent of the share capital of such entity by either of the parties or so controlled by or under such common control with one of them.
 - 1.7. The "Company" shall mean LivingWaters™ Engineered Water Treatment Solutions, its parent company(ies) and/or its Affiliated Company(ies) successors or assigns.
 - 1.8. "Product(s)" shall mean any products offered by the Company to the Dealer, whether those products are manufactured by the Company or distributed by the Company from a third party manufacturer to the Dealer.

- 1.9. "Competing Products" shall mean any products similar to the Products or which can be put to identical or similar uses or which might compete with or hinder the sale and/or reputation of the Company's products.
- 1.10. "Internet" shall mean the world wide web or any similar public computer network or electronic media.
- 1.11. "Trademarks" shall mean the Company's trademarks, trade names and logos.
- 1.12. "Territory" shall mean the geographical area in which the dealer is permitted to operate.

2. APPOINTMENT OF DEALER:

- 2.1. The Company hereby appoints Dealer, which accepts, for the term of this Agreement and subject to the terms and conditions hereof, its dealer to market and sell the Products to consumers in the Territory provided.
- 2.2. It is understood that Dealer shall not appoint any assistant or subsidiary dealers or distributors in the Territory for the purpose of marketing and selling the Products without the prior written consent of the Company.
- 2.3. Dealer hereby undertakes at all times during the term of this Agreement to use its best efforts to vigorously and continuously promote and sell the Products throughout the entire Territory.
- 2.4. Dealer acknowledges that the Company is entering into this Agreement in reliance upon the personal reputation, qualifications, and abilities of the present owner or owners of Dealer's business and operations.
- 2.5. Notwithstanding the appointment of Dealer as provided above, it is expressly understood and agreed that the Company shall be entitled to 1) appoint any third party for the sale or distribution of the Products within the Territory, 2) grant retailers the right to sell Products in the Territory, and 3) reserve any and all rights to, or grant exclusive and/or non-exclusive distribution or trademark licenses to, distribute and sell Products over the Internet, and the Company shall have no liability for breach of this Agreement for acts in connection with such appointment or the acts of itself or of such licensees or contract manufacturers. The Company expressly disclaims any representation, covenant or warranty that Products shall not be sold in the Territory by any such licensee or other third party.

3. TERRITORY:

- 3.1. Territory is any new account an authorized Dealer develops as part of its proprietary dealer network, no matter where that account is located, as long as that customer is not already a LivingWaters™ Engineered Water Treatment Solutions customer either directly or through another dealer. If that customer is an existing Company customer, either through the Company or another Company dealer, the Company reserves the right to keep that customer's account with their existing representative.
- 3.2. Dealer shall not distribute or sell Products to any person or entity not approved by the Company, which Dealer knows or should know will distribute or re-sell Products, including Consumer Products.

4. TERM:

- 4.1. The original term of this Agreement shall be for a period of one year commencing on the date hereof, and terminating on the first anniversary of the date hereof at which time, if either party notifies the other in writing at least sixty (60) days before the end of such period of its intention to let the Agreement expire at the end of such period, it shall so automatically expire.
- 4.2. If neither party sends notice of its intention to let the Agreement expire, then the Agreement shall be automatically renewed at the end of the original term for successive one-year periods, provided that in the event of such renewal(s) either party can then, in its sole discretion, with or without cause, and without the payment of any termination indemnities or similar payments, terminate this Agreement effective as of the end of any one-year renewal period by written notice to the other party sent at any time prior to sixty (60) days before the end of such one-year renewal period.

5. TERMS AND CONDITIONS OF SALE TO DEALER: Dealer undertakes and agrees to purchase the Products from the Company under the following terms and conditions:

- 5.1. Price: The prices to be paid by the Dealer to the Company for the Products shall be the prices set forth in the Company's then current price list multiplied by the dealer's multiplier. Such prices are exclusive of handling, shipping, drop-shipping and insurance charges, inspection fees, consular fees, import or export duties, taxes, and levies (including but not limited to value-added, property, sales or use taxes), all of which shall be the sole responsibility of the Dealer. If the Company is required to collect or pay any such taxes or duties, the amounts so paid or collected shall be invoiced to the Dealer.
- 5.2. Payment: Payment terms shall be as set forth in the Company's standard Terms & Conditions of Sale contained in the Company's then current price list.
- 5.3. Acceptance of Orders: All orders and/or modifications placed by Dealer under this Agreement shall be subject to acceptance by the Company and no such order shall be binding until accepted by the Company. Dealer may not cancel an accepted order for custom Products or Products made or assembled to order. The Company shall be entitled (without incurring any liability toward Dealer, or any assistant or subsidiary dealer of Dealer or any customer) to cancel accepted orders prior to delivery to Dealer in the event that, prior to delivery, notice of termination of this Agreement has been given or in the event that this Agreement shall have been otherwise terminated for any reason. All order forms used for the placing by Dealer of orders for the Products in the Territory shall be subject to the prior approval of the Company and, in any event, the terms of this Agreement and the Company's standard Terms & Conditions of Sale contained in the Company's then current price list shall supersede any terms and conditions on such order forms used by Dealer.
- 5.4. Title and Delivery Schedules:
 - 5.4.1. Title in the Products and risk of loss shall pass to the Dealer at the factory loading point and the company shall have no responsibility for any damages or losses attributable to the carrier.
 - 5.4.2. It is expressly understood and agreed that all free samples, advertising material, technical, sales, marketing, training and other materials, delivered to the Dealer on a complimentary basis, whether in the form of originals delivered to the Dealer or

copies made by the dealer, shall remain the property of the Company and shall be immediately returned upon request and in all cases upon termination of this Agreement.

- 5.4.3. Delivery schedules stated by the Company to Dealer upon acceptance of an order or otherwise are given as an indication only, and shall not be binding upon the Company. However, a specific delivery schedule may be required by the Dealer for a particular order, and once explicitly accepted as such by the Company, it shall be binding upon the Company, and if the Company fails to comply therewith, the Dealer shall as its exclusive remedy, have the right to cancel the order in question if said scheduled delivery date is more than thirty (30) days overdue.
- 5.5. Product Availability: The Company will endeavor to make the Products ordered from the Company inventory available in the quantities and at the times specified by the Dealer in its purchase orders, but in case of a shortage in the Products, the Company reserves the right to allocate available supplies to their various Dealers, distributors, and customers in such a way as it may reasonably determine.
- 5.6. Product Identification: The Dealer shall not remove or otherwise modify the Company's tradenames or trademarks as they appear on the Products sold to the Dealer. The Dealer shall not, without the Company's written consent, place any other trademarks or tradenames on such Products.
- 5.7. Product Changes: The Company reserves the right without thereby incurring any liability to Dealer or to Dealer's customers, from time to time, to terminate, limit, or significantly modify or change the basic specifications of any Product and to effect any other changes and/or improvements in any Product without prior notice to Dealer.
- 5.8. Government Authorization: The Dealer, at its own expense, shall obtain all necessary permits and licenses for the importation of the Products into the Territory, and shall secure all necessary regulatory approval for, and shall be responsible for compliance with local law with respect to the distribution, sale, or use of the Products within the Territory. The Company shall cooperate with the Dealer to the extent the Company finds it reasonable to do so, to obtain such approvals.
6. GENERAL COMMERCIAL CONDITIONS:
- 6.1. Sales Structure:
- 6.1.1. Any Authorized Dealer shall, at its sole expense, set up and maintain at all times during the term of this Agreement adequate facilities for stocking the Products and a sales organization adequate to cover the potential market for the Products in the Territory and shall, to that effect, under its sole responsibility and at its own expense, employ a trained and qualified staff to promote and sell the Products throughout the entire Territory and in accordance with Dealer's undertaking herein to at all times vigorously and continuously use its best efforts to promote and sell the Products throughout the entire Territory.
- 6.1.2. Any authorized Consumer Products Reseller shall, under its sole responsibility and at its own expense, employ a trained and qualified staff to promote and sell the Products throughout the entire Territory and in accordance with Dealer's undertaking herein to at all times vigorously and continuously use its best efforts to promote and sell the Products throughout the entire Territory.
- 6.2. Assistance to Customers: Dealer shall furnish all appropriate information regarding the Products to existing and potential customers in the Territory. Dealer shall reply promptly to all requests for information as well as to all correspondence or purchase

orders from said customers. The Company may send its own representatives to visit and advise customers in the Territory, provided that such visits shall be set up in advance on a schedule agreed upon with the Dealer.

- 6.3. Inventory: Dealer agrees that at the end of each month during the term of this Agreement, it will have in inventory such quantity of Products as shall be sufficient to promptly and efficiently permit Dealer to supply customers in the Territory.
- 6.4. Resale Prices: Dealer is free to set its resale prices, except that it may not advertise prices on the internet or outside of its own place of business that are discounted more than 15% from the Company's published list prices.
- 6.5. Customer Information: Dealer is required to submit a quarterly report listing contact details including name, address, phone, email (if available) and a list of equipment purchased of all customers of LivingWaters™ products. This list shall serve to guarantee that your customers remain your customers so you can get credit for re-orders.

7. PRODUCT ADVERTISING AND MARKETING:

- 7.1. Dealer shall at its own cost be responsible for adequate advertising of the Products in the Territory (which shall at all times be properly and exclusively unless the Company otherwise agrees in writing identified with the Company's trademarks and trade names) and the active promotion of sales of the Products throughout the entire Territory.
- 7.2. Dealer shall participate at its own cost in promotional campaigns.
- 7.3. Dealer shall express and identify properly in its communications with each customer its relationship with the Company.
- 7.4. Dealer shall not engage in, publish, cause to be published, encourage, or approve any advertisement or practice which might mislead or deceive the public, which or might be detrimental to the good name, trademarks, tradenames, goodwill, or reputation of the Company or the Products, or which infringes upon another's copyright, trade dress, slogan advertising idea, publication rights, privacy rights, or other intellectual property rights.
- 7.5. Dealer agrees, upon request, to promptly discontinue any advertising or practice reasonably deemed by the Company to have a detrimental effect as aforesaid. In any such case, Dealer agrees that it will ensure that any such discontinuance is complied with by all retail sellers or others to which Dealer has distributed the Products. The Dealer shall not advertise the Products outside the Territory, provided however, that Dealer may use, display, transmit, market, or otherwise reproduce the Trademarks to promote the Products over the Internet on a Company owned and approved website.

8. COMMERCIAL PRACTICES: The Dealer shall at all times respect normal commercial practices and the rules of fair competition in each state and country in which Dealer sells and/or distributes the Company's Products. It shall engage in no practice that could be detrimental or embarrassing to the Company.

9. DISTRIBUTION OF OTHER PRODUCTS:

- 9.1. Dealer agrees during the term of this Agreement not to manufacture, sell, distribute, or otherwise handle in the Territory any Competing Products to the Company's Products unless the Dealer notifies the Company in writing in advance of any such competing products and gains written permission from the Company to do so.
- 9.2. Dealer expressly agrees during the term of this Agreement not to hold or acquire, directly or indirectly, any participation in any organization or entity selling, distributing or otherwise handling Competing Products as defined herein.
- 9.3. Non-compliance by Dealer with the provisions of Section 9 during the term hereof shall be good cause for the Company to terminate this Agreement pursuant to Section below.
- 9.4. In the event that this section or any portion thereof shall be held by a court or arbitration panel, administrative body, or governmental agency of competent jurisdiction to be invalid, illegal, or unenforceable for any reason whatsoever, it is expressly understood and agreed that as to such jurisdiction the foregoing restrictions set forth in Section 9 or any portion thereof shall not impair the enforceability of these restrictions as so modified, nor in any manner otherwise affect the remaining provisions of this Agreement.

10. RETURN AND PURCHASE OF INVENTORY:

- 10.1. In the event of termination, expiration or non-renewal of this Agreement for any reason whatsoever, the Company shall from and after the date of notice of such termination having been given by either party be entitled to cease accepting orders for any Products. On the effective date of termination, all Products and other materials and documents as referred to in Section 5.4.2 which are in the possession or under the control of Dealer which remain the property of the Company shall be immediately returned to the Company by Dealer.
- 10.2. Within thirty (30) days of the effective date of such termination, expiration or non-renewal of this Agreement, Dealer shall submit to the Company an inventory list of all unsold Products and Promotional Products and all unfinished Promotional Products which are the property of Dealer as of the date of the said termination, expiration or non-renewal. The Company may in its sole discretion in all cases (but shall in no case have any obligation to) purchase or any part of such inventory by notifying Dealer in writing. Under no circumstances regardless of the cause of termination of this Agreement (including the Company's default) shall the Company be required to purchase such inventory. The price for any such inventory so purchased shall be the Company's actual selling price therefore to Dealer or Dealer's manufacturing cost in the case of Promotional Products (excluding shipping, insurance and customs costs).
- 10.3. The transportation and packing costs for the Products owned by the Company or repurchased as provided above, shall be paid by the Dealer. Dealer shall in any event return to the Company free of charge, all Products, materials, and equipment, which the Company may have made available to Dealer free of charge.
- 10.4. In the event that the Company should not purchase or should purchase only part of the inventory mentioned in the preceding paragraph, Dealer shall have the right, under the terms and conditions of this Agreement, to sell the said inventory or that part of the inventory not purchased. The Dealer understands and agrees that all such sales shall be made pursuant to normal conditions and terms of sale (including prices) theretofore practiced by Dealer.

11. TRADEMARKS:

- 11.1. Neither the Dealer nor any assistant or subsidiary dealer of Dealer shall (i) acquire any right or interest whatsoever, as a result of this Agreement, in any patents, Trademarks or other intellectual property rights of the Company, (ii) represent in any way that it has any right to or interest in any of the patents, Trademarks or other intellectual property rights of the Company or (iii) use the Trademarks in any manner except as explicitly authorized by the Company.
- 11.2. Dealer acknowledges and agrees that any use of Trademarks shall inure to the sole benefit of the Company. If Dealer acquires any rights to the Trademarks by operation of law or otherwise, it will immediately at no expense to the Company, assign such rights to the Company along with any associated goodwill, applications, and/or registrations.
- 11.3. Dealer agrees that it will not, at any time, (i) challenge the Company's ownership or use of the Trademarks, (ii) apply for or seek registration of any words, trademarks, tradenames, or logos which are the same as or confusingly similar to any of the Trademarks or which may in any manner be used in unfair competition therewith or (iii) infringe any Trademarks, nor will Dealer incorporate any Trademarks into Dealer's trademarks, service marks, company name, Internet address, domain names, or any other similar designations.

12. AUTHORITY OF DEALER:

- 12.1. The relationship between the Company and Dealer is and will remain that of seller and a buyer who is an independent contractor. Except as provided in Section 2 above, Dealer, its agents and employees are in no way the sales representatives or agents of the Company for any purpose whatsoever and have no right or authority to represent themselves or act as such or in any way to bind the Company to any obligation to a third party, and they shall not assume or create in writing or otherwise any obligation of any kind, express or implied, in the name of or on behalf of the Company, unless specifically authorized to do so in writing by the Company and in accordance with the conditions specified by the Company.
- 12.2. The Dealer warrants and agrees that it shall be at all times an independent contractor, and that it shall do business at its own risk and for its own profit and not as an agent or employee of the Company.
- 12.3. The Dealer warrants and agrees that any and all relationships facilitated with third party suppliers by the Company, including those with other manufacturers, distributors, and other vendors of water treatment products, remain the proprietary property of the Company, and the Dealer warrants and agrees not to independently contact such suppliers with the intention of developing an independent relationship that does not include the Company, without the prior approval of the Company, either during or after the term of this agreement.

13. WARRANTY:

- 13.1. Warranty: Company Products sold and/or distributed by Dealer are covered by the warranty(ies) included in the Company's then current price list, and no other warranty, expressed or implied. SUCH WARRANTY IS IN LIEU OF ANY OTHER WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO DESCRIPTION, QUALITY, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR USE, OR ANY OTHER MATTER AND IS SUBJECT TO THE LIMITATIONS SET FORTH IN

SECTION 13(B) BELOW. Under no circumstances shall the Company be liable to Dealer or any third party for any loss of profits or other direct or indirect costs, expenses, losses or consequential damages arising out of or as a result of any defects in or failure of its Products or arising out of or as a result of parts or components incorporated in the Products but not supplied by the Company.

- 13.2. Any warranty or guarantee by the Company with respect to the Products sold by it shall be specifically limited to those obligations, which are expressly provided in Section 13.1 hereof. In no event shall the Company be liable to Dealer or to any third parties purchasing through Dealer for any consequential or incidental damages or losses, for injury to persons or property or for commercial loss.
- 13.3. In the event Dealer should extend to any party or person a warranty different from the warranty set forth in Section 13.1 hereof, Dealer shall be exclusively responsible for said extended warranty, and shall support all consequences thereof and shall hold the Company harmless of any obligation deriving therefrom.

14. RETURNED PRODUCTS: The Company will accept no returns for credit either from Dealer or from any customer unless the Company gives written permission, in each case, in advance. In no case will the Company consider accepting the return of any Products, which are not (i) in good merchantable condition comparable to the Company's prevailing standards, (ii) in its standard product line and (iii) in active demand. In cases where the Company gives its written permission for a specific return for credit, the credit given will be based upon the originally invoiced price of the returned Product. Custom Products and Products made or assembled to order may not be returned.

15. CONFIDENTIALITY AND COVENANT NOT TO DIVULGE:

- 15.1. Dealer acknowledges that all technical and commercial information and know-how furnished by the Company to Dealer during the term of this Agreement is proprietary and is of a highly confidential and secret nature.
- 15.2. All of such technical and commercial information and know-how is given and received in strict confidence and is to be used by Dealer solely for the purpose of carrying out this Agreement. Dealer shall keep in strict confidence the aforesaid technical and commercial information and know-how and shall not, for any reason whatsoever, reveal, disclose, sell or transfer any part of such technical or commercial information or know-how, directly or indirectly, to its own employees or agents or to any third party except as permitted by the terms of this Agreement.
- 15.3. In the performance of its obligations under this Section 15, Dealer shall at its own cost take all precautions and steps, which may be reasonably requested in order to protect such know-how and confidential information (including the bringing of legal action in order to ensure that others respect this undertaking of confidentiality). Nothing herein shall be interpreted as prohibiting the Company at its own expense from bringing such legal actions within or outside the Territory as it shall deem to be in its best interest.
- 15.4. Dealer shall have the right to disclose such technical information and know-how received only to those of Dealer's employees and its subsidiary distributors who need to know such information and Dealer agrees to exercise a high degree of care in the selection of its employees and subsidiary distributors to whom such technical information and know-how, or part thereof, will be disclosed.

- 15.5. Dealer's obligations set forth in this Section 15 shall survive and remain in effect even after the expiration or the termination of the present Agreement.
 - 15.6. It is expressly agreed that the obligations of Dealer to keep confidential information under this Section 15 shall not apply to any such information which:
 - 15.6.1. was in the public domain at the time of disclosure to Dealer; or
 - 15.6.2. was in the possession of Dealer without binder of secrecy prior to disclosure to it; or
 - 15.6.3. though confidential at the time of disclosure, subsequently becomes part of the public domain through no fault of the Dealer.
16. DEALER DUTIES: The Dealer shall have the following additional duties with respect to his representation of the Company:
- (A) The Dealer shall pay all of his/her own expenses, and shall incur no debts or other liabilities in the name of the Company except as specifically authorized by the Company in writing.
 - (B) The Dealer shall conduct himself/herself so as not to affect adversely the business, good standing or reputation of himself/herself or the Company, and agrees that if the Dealer is marketing any product or products the Company finds objectionable, or is marketing any product including the Company's product in such a way that the Company finds objectionable, that the Company reserves the right to terminate the Dealer's rights under this agreement. In addition, the Dealer shall make no agreements on behalf of the Company or involving his/her representation of the Company without written authorization by the Company.
 - (C) The Dealer shall be responsible to the Company for all monies and/or other compensation received on behalf of the Company by him/her or by any person or persons employed by him/her.
 - (D) The Dealer shall be responsible to the Company for all business done by or entrusted to persons appointed or employed by the Dealer, and no such person shall have any claim whatsoever against the Company.
 - (E) The Dealer is responsible to make all refunds to their customers under the terms and conditions of the Company's warranty policies. If the Company shall, for any reason, refund the purchase price of any merchandise returned to the Company by any customer, the Dealer shall pay to the Company on demand, the full amount paid thereon, and the Company shall have the right to deduct from any remuneration or deposit due the Dealer, any indebtedness due from the Dealer to the Company.
 - (F) The Dealer shall not, for any reason, reproduce by any means whatsoever, or modify in any way any materials provided by the Company to the Dealer except for adding Dealer's name to Company literature without prior written permission from the Company.
 - (G) While on Company business, the Dealer (and/or its authorized representatives) will present a professional image on behalf of the Company at all times.
 - (H) The Dealer will not make any representations to the customer on behalf of the Company, except as expressly authorized by the Company in writing.

17. INJUNCTIVE RELIEF: It is further agreed between the parties that the services to be rendered by the Dealer are of a unique, confidential and strictly personal nature, entitling the Company to enforcement of this contract by injunction.

18. ANTICIPATORY TERMINATION

18.1. Notwithstanding any other provisions of this Agreement, this Agreement may be terminated before the expiration of its term, without payment by the Company of any indemnity or other sums on account of such termination, under the following circumstances:

18.1.1. by the Company if any amounts due under this Agreement are not paid within ninety (90) days of the date such amounts are due;

18.1.2. except with respect to obligations and terms otherwise provided for in this Section 18.1, by either party if within thirty (30) days after notification to the other party, advising said other party of a failure to fulfill any of its obligations under this Agreement or of a violation of or a default under the terms of this Agreement, said other party has not cured such failure, violation or default;

18.1.3. by the Company (i) if a change occurs in the control of Dealer (whether such change is in direct or indirect control), or (ii) if a change or disruption occurs in Dealer's management, commercial or financial situation which change has or might, in the Company's reasonable judgment, substantially adversely affect the performance by Dealer of its obligations under this Agreement, including without limitation the death, incapacity to perform his duties of employment for a continuous period of ninety (90) days or the termination of his employment and/or management relation with Dealer of the person signing this Agreement on behalf of Dealer (in relation herewith, Dealer undertakes and agrees to notify the Company of any such change as soon as it occurs or as soon as it is likely to occur), or (iii) if Dealer (A) files a voluntary petition in bankruptcy or is adjudicated a bankrupt or insolvent, (B) files (or there is filed and not dismissed within thirty (30) days) a petition (or an answer to a petition) seeking any reorganization, arrangement, composition, liquidation, dissolution or similar proceeding under any present or future statute, law, or regulation, inside or outside the Territory, relating to bankruptcy, insolvency or other relief for debtors, (C) seeks or consents to or acquiesces in the appointment of any trustee, receiver, or liquidator of all or any substantial part of its properties, (D) makes any general assignment for the benefit of creditors, or (E) admits in writing its inability to pay its debts generally as they become due;

18.1.4. by mutual consent of the parties hereto;

18.1.5. by either party upon ninety (90) days written notice to the other party;

18.1.6. by the Company upon thirty (30) days' written notice to Dealer if Dealer violates the terms of Section 3 hereof.

18.2. Termination of this Agreement as provided in Section 18.1 shall be by written notice and shall be effective upon delivery, except in the case of Section 18.1.3(iii), in which case the termination is automatic (without notice) upon the occurrence of the event. The time of delivery of any such notice shall be determined as set forth in Section 23 hereof.

19. TERMINATION

19.1. CONSCIOUS LIVING SYSTEMS, INC. SHALL HAVE NO LIABILITY TO DEALER OR DEALER'S CUSTOMERS OR OTHER THIRD PARTIES, FOR CLAIMS OR DAMAGES OF ANY KIND, INCLUDING INCIDENTAL OR CONSEQUENTIAL DAMAGES, ARISING OR RESULTING SOLELY FROM TERMINATION OF THIS AGREEMENT IN ACCORDANCE WITH ITS TERMS. Notwithstanding any laws or regulations in the Territory to the contrary, the Company shall not be liable to Dealer on account of the termination or expiration of this Agreement for reimbursement or damages for loss of goodwill, prospective profits or anticipated orders, or on account of any expenditures, investments, leases or commitments made by Dealer or for any other reason whatsoever based upon or growing out of such termination or expiration. Dealer waives any right it may have to receive any compensation or reparations on termination or expiration of this Agreement. Notwithstanding any laws or regulations in the Territory to the contrary, Dealer acknowledges and agrees that:

19.1.1. Dealer has no expectation and has received no assurances that its business relationship with the Company will continue beyond the stated term of this Agreement or its earlier termination in accordance with Section 18 hereof, or that any investment by Dealer in the promotion of Products will be recovered or recouped by virtue of this Agreement; and

19.1.2. Dealer shall not have or acquire by virtue of this Agreement or otherwise any vested, proprietary or other right in the promotion of Products or in any goodwill created by its efforts hereunder. The parties acknowledge that this Section 19.1 has been included as a material inducement for the Company to enter into this Agreement and that the Company would not have entered into this Agreement but for the limitations of liability as set forth herein.

19.2. The termination, expiration or non-renewal of this Agreement shall not relieve Dealer of any liability for any monies due to the Company at the time of such termination, expiration or non-renewal nor shall it relieve Dealer of the post-termination obligations imposed by this Agreement.

19.3. Upon such termination, expiration or non-renewal, the Dealer shall immediately remove from its premises and elsewhere all signs and advertising relating to the Company and the Products and shall thereafter cease all use of the Trademarks and all other trademarks and tradenames identified with the Products and Dealer shall ensure that all such use by any subsidiary distributors or others claiming rights from Dealer shall also immediately cease. Upon such termination, expiration or non-renewal, Dealer agrees promptly to return to the Company all technical, sales, marketing and other confidential documents which the Company may have supplied to it, as well as, to the best of Dealer's ability, all copies thereof.

20. FORCE MAJEURE: The Company shall not under any circumstances be liable for any claim whatsoever or however arising of Dealer or any of its customers or any other third party due to the Company's failure of or any delay in performance of any of its obligations arising in connection with this Agreement if the performance of such obligation is prevented, restricted or materially interfered with as a result of any acts, causes or circumstances beyond the reasonable control of the Company, including without limitation acts of God, acts or omissions of any other entity or person (including suppliers of the Products or parts or components thereof), fire, flood, strike or labor dispute of any kind, embargo, war, acts of terrorism, riot, insurrection or civil or military authority.

21. GOVERNING LAW: This Agreement shall be deemed to have been entered into in the State of Colorado, U.S.A. and shall be governed by and construed in accordance with the laws of the State of Colorado, U.S.A. without giving effect to principles of conflicts of law.

22. **ARBITRATION:** All disputes arising out of or in connection with this Agreement, including but not limited to disputes over interpretation, enforcement or breach of the Agreement, shall be resolved by final binding arbitration conducted in Colorado Springs, Colorado by a single arbitrator (unless the dispute exceeds One Million Dollars (\$1,000,000) in which case there shall be three arbitrators) under the auspices of JAMS and in accordance with JAMS' commercial arbitration rules. The parties will be entitled to obtain relevant documents from each other and to conduct up to three depositions each. The arbitrator(s) shall be authorized to grant injunctive relief, specific performance and declaratory relief as well as monetary damages but not multiple or punitive damages. The award shall be a written reasoned award. The arbitrator(s) shall award reasonable attorneys fees to the overall prevailing party in accordance with the extent to which each party prevails on its claims. Notwithstanding the obligation to arbitrate disputes, either party may seek preliminary injunctive relief from a court of competent jurisdiction in aid of arbitration. The arbitration award may be enforced in any court of competent jurisdiction.

23. **NOTICES:** All notices, requests, demands and other communications shall be validly given if sent by registered or certified mail or by telefax to the recipient party's address or telefax number or email address appearing hereinbelow, unless such party has notified the other party of a substitute address or telefax number in writing, and shall be deemed validly delivered upon the date of sending.

To the Company at: LivingWaters™ Engineered Water Treatment Solutions
 P. O. Box 7261
 Woodland Park, CO 80863
 Attn: Lono Ho'ala

 Telefax: 888-869-8985

To Dealer at: Dealer Name: _____
 Address: _____
 City, State, Zip: _____
 Telefax: _____

24. **FAILURE TO ENFORCE:** The failure of the Company to enforce at any time or for any period of time the provisions hereof in accordance with their terms will not be construed to be a waiver of such provisions or of the right of the Company thereafter to enforce each and every such provision.

25. **ENTIRE AGREEMENT – MODIFICATIONS:** This Agreement is deemed to include our policies as identified by our most current CLS Dealer Information document, and along with current company policies as described in that document supersedes all prior agreements, oral or written, between the parties hereto. These documents contain the entire and only agreement between the parties respecting the sale and the purchase, the distribution and servicing by Dealer of any Products. Any representations, terms or conditions relating to this Agreement or in connection therewith, whether oral or in writing, that are not incorporated herein will not be binding upon either party. No modification, termination, notice of termination or discharge of this Agreement or any of the provisions hereof nor any representation, promise or condition relating to this Agreement will be binding unless made in writing.

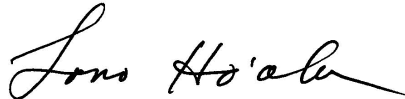
LIVINGWATERS™ ENGINEERED WATER TREATMENT SOLUTIONS — DEALER'S AGREEMENT

26. ASSIGNABILITY: This Agreement is binding upon the parties hereto and their respective successors in interest, but shall not be assignable by Dealer without the Company's prior written consent.
27. INVALID PROVISIONS: Except as otherwise provided elsewhere in this Agreement, should any provision of this Agreement now or later conflict with any applicable law or administrative regulation with the force of law, whether national or supranational, said provision(s) shall be considered as not written and of no effect and all other provisions of this Agreement shall remain in full force and effect.
28. THIS AGREEMENT, along with the provisions contained in the Prospective Dealer Information form that accompanies this agreement, constitutes the entire contract between the Company and the Dealer. The Dealer hereby acknowledges receipt of the materials mentioned herein, and agrees that no other agreements, representations, or inducements have been made other than those expressly stated in these documents. The Dealer also agrees that this agreement may not be altered, modified, or amended in any way, except by a written document signed by the parties hereto.

IN WITNESS THEREOF, the parties hereto have executed this agreement the day and year first mentioned above.

LIVINGWATERS™ ENGINEERED WATER TREATMENT SOLUTIONS (THE COMPANY)

BY:



Lono Ho'ala – LivingWaters™ Engineered Water Treatment Solutions

DEALER

BY: _____

TITLE: _____

DATE: _____