# Product Distribution Agreement

This agreement is hereby entered into on this date: [Date here]

Between [ABC Toy Company], [Address] and [Best Department Stores, Inc.], [Address].

Purpose: To grant [Best Department Stores, Inc.] (hereinafter referred to as “The Distributor”) the rights to distribute for sale the [A0001] product line (hereinafter referred to as “The Product”) manufactured by [ABC Toy Company] (hereinafter referred to as “The Manufacturer”).

Both parties hereby agree to the following terms and conditions:

## Rights

1. The Manufacturer exclusively owns the product.
2. The Distributor is granted non-exclusive rights to sell the product in accordance with the terms of this agreement.
3. The Distributor will put forth its best efforts in achieving sales of The Product.
4. Terms and prices of The Product will be determined mutually by the parties.

## Profits

1. The Distributor will turn over a portion of the profits from sales of The Product in the amount of 75 percent.
2. The portion of profits turned over to The Manufacturer will follow a schedule mutually agreed upon by both parties.
3. Along with each payment, The Distributor will submit a written report to The Manufacturer.

## Records

1. Accurate and complete records will be kept by The Distributor in regards to sales of The Product.
2. The Manufacturer may review these records at any time.

## Title to Merchandise

1. The Product will remain legal property of The Manufacturer until being sold.
2. The Distributor is responsible for loss, damage or shortage of merchandise under its control.

## Taxes

1. The Distributor is responsible for employee payroll taxes.
2. The Manufacturer is indemnified against any liability regarding The Distributor’s employee payroll taxes.

## Defaults

1. In the event of any failure of The Distributor to abide by the terms of this agreement, including but not limited to remittance of payments due, The Manufacturer will have the option to terminate this agreement.
2. The Distributor may terminate this agreement in the event of a breach committed by The Manufacturer.
3. Either party must provide a written notice of 45 days in the event of termination.

The undersigned hereby agree to the above terms and conditions.

|  |  |  |
| --- | --- | --- |
| **[ABC Toy Company]**  |  | **[Best Department Stores, Inc.]** |
| Name of Signatory: |  |  | Name of Signatory: |  |
| Date: |  |  | Date: |  |

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