

DISTRIBUTOR AGREEMENT

I. THE COMPANY

The company, DYNAMITE® Marketing, Inc. is an Idaho corporation. The company has a contract for the distribution rights in the United States and Canada for its products ("Products"), and it owns trade names, trademarks, and service marks which it agrees to license to the distributor upon the terms and conditions of this Agreement.

II. THE COMPANY'S PRODUCTS

The Distributor acknowledges that Dynamite® Nutritional Supplements are provided as food supplements and are not intended for the treatment or cure of disease.

The Company guarantees both the quality of the Products and the packaging. Should a customer suffer loss or damage from using Dynamite® Products, the responsibility for such loss or damage shall be apportioned between the Company and the Distributor based upon each party's comparative negligence.

Any repackaging of Dynamite® Products is strictly prohibited. Products must be sold to customers in the original, factory-sealed container, and samples other than those authorized by Dynamite® in writing are not permitted.

III. MARKETING

The Company offers to its Distributors an opportunity to benefit by associating through the Company and its affiliates with persons who are oriented toward personal and financial growth. This growth is directly dependent upon each person's individual efforts and skills. THE COMPANY MAKES NO REPRESENTATIONS AS TO HOW MUCH ANY INDIVIDUAL CAN EARN. EARNINGS DEPEND UPON SKILLS AND EFFORT EXPENDED. A DISTRIBUTOR IS A SOLE PROPRIETOR RUNNING AND OPERATING HIS/HER OWN INDEPENDENT BUSINESS, RETAILING OR USING DYNAMITE® PRODUCTS AND ABLE TO SPONSOR OTHER DISTRIBUTORS AND THEREBY EARN VOLUME BONUSES THROUGH THE COMPANY'S MARKETING PLAN AS A RESULT OF SALES OF THE COMPANY'S PRODUCTS.

A. THE PRODUCT REPRESENTATIVE

In order to become a Product Representative with the Company, the applicant must comply with the following:

1. Be at least 18 years of age, be sponsored by an existing Dynamite® Distributor and submit the Distributor application and application fee.
2. Read this Agreement and all of the attachments and exhibits thoroughly, and understand all of those materials, the marketing plan and the Products. If the Product Representative has any questions, they should be directed to the Sponsor. If not satisfied -BEFORE SIGNING THIS AGREEMENT- write to or contact: Dynamite® Marketing, Inc.
3. Purchase a minimum initial order of \$150.00 (one hundred fifty dollars) in Product directly from the company. (The order must accompany the Distributor sign-up fee and be forwarded to the Company for registration.)

B. THE MANAGER

1. When the Product Representative has purchased from the company a total of forty (40) points of Products, he/she will be automatically advanced to Manager.
2. The Manager purchases Product directly from the Company at a set percentage off the suggested retail price (see current price sheet) plus a five percent (5%) Bonus paid monthly by check.

C. THE SUPERVISOR

1. The Manager automatically advances to Supervisor when a total of 120 points of Products have been purchased from the Company personally and/or by his/her organization within any two (2) consecutive calendar months.
2. The Supervisor purchases Product directly from the Company at a set percentage off the suggested retail price (see current price sheet) plus a ten percent (10%) Bonus. He/she also receives a five percent (5%) Bonus in the form of a check on all purchases made by all personally sponsored Managers. (No lateral commission is paid on Supervisors.)

D. THE DIRECTOR

1. The Manager or Supervisor automatically advances to Director when a total of 480 points of Products have been purchased from the Company personally and/or by his/her organization within any two (2) consecutive calendar months. Directors are recommended to attend a Company training session.
2. The Director purchases Product directly from the Company at a set percentage off the retail price (see current price sheet) plus a fifteen percent (15%) Bonus. In addition, he/she receives a five percent (5%) Bonus on all orders made by any Supervisor in his/her organization and a ten percent (10%) Bonus on all orders made by any Manager personally sponsored by the Director and a five percent (5%) Bonus on all orders made by other down-line Managers in his/her organization.

E. QUALIFICATIONS FOR BONUSES (COMMISSIONS)

1. The Bonuses (Commissions) are calculated using a Bonus Volume figure.

2. In order for a Supervisor to receive Bonuses, they must meet their marketing and ordering requirements of sixty (60) points of Product within two (2) consecutive calendar months, either personally and/or through their organization.

3. In order for a Director to receive Bonuses, they must personally order 24 points of Product and a minimum total of sixty (60) points of Product within the same (2) consecutive calendar months through their personal organization and personal purchases. Example: 60 points can be 24 personal and 36 organizational as a minimum or 24 personal and 40 points organizational, etc.

4. Annual fee due during your anniversary month.

NOTE: Bonus Volume (BV) - Each Dynamite® Product is assigned a specific BV. Check price list for details.

F. SPECIAL ACHIEVEMENT BONUS DEFINITION: A Special Achievement Bonus is an incentive-type bonus paid to the Director who, because of his/her help and training, has a personally sponsored Manager or Supervisor advance to the position of Director. It is believed by Dynamite® Marketing, Inc., that this achievement should be recognized and rewarded through remuneration. This encourages the Director to help others whom he/she has sponsored to achieve the status of Director.

QUALIFICATION REQUIREMENTS:

A Manager/Supervisor who becomes a Director no longer earns a Bonus for the Director who sponsored him/her. It is for this reason that Dynamite® Marketing, Inc., has included a Special Achievement Bonus of five percent (5%) of the Bonus Volume of all future orders by the new Director and his/her organization, to be paid to the sponsoring Director. This payment is made as long as the sponsoring Director complies with the Policies and Procedures, marketing structure and section G (below), pertaining to the minimum order requirements.

Additionally, if the new Director has a Product Representative whom he/she has sponsored who becomes a Director, he/she receives a five percent (5%) Special Achievement Bonus and his/her Sponsor (the original Director) receives a five percent (5%) Special Achievement Bonus. The final Special Achievement Bonus is paid if the second Director sponsors a Product Representative who becomes a Director, then his Sponsor receives a five percent (5%) Special Achievement Bonus, his/her Sponsor's Sponsor receives five percent (5%), and the original Director receives five percent (5%).

G. QUALIFICATIONS FOR SPECIAL ACHIEVEMENT BONUS

In order for a Director to receive Special Achievement Bonuses, he/she must personally order 24 points of Product within each two (2) consecutive calendar months and achieve a total of one hundred and twenty (120) points of Product within the same two (2) consecutive calendar months through their personal organization (Product Reps, Managers and Supervisors) and personal purchases volume. (See Example at E., 3)

H. QUALIFICATION FOR INCENTIVE PLANS

Directors are eligible to qualify for present and future incentive plans when put in effect. Incentive plans may be added or changed by approval of the Company. See current "Business Plan" for additional bonuses available to Dynamite® Representatives who achieve exceptional organizational growth.

I. MISCELLANEOUS

1. Dynamite® Distributors may sell to whomever they desire and in any location. Dynamite® Products may not be consigned to or sold by anyone who is not a registered Dynamite® Distributor. The Company exercises no control over their day-to-day activities and other than the minimum sales requirements contained herein, they are free to sell as much or as little of the Company's Products as they desire. The Product Representative/Manager/Supervisor/Director may sell at retail and may also recruit Representatives.
2. The Product Representative/Manager/Supervisor/Director must purchase at least eighty (80) points of Product from the Company at a time, or pay shipping charges (Continental U.S. only).
3. Product Representatives, Managers, Supervisors and Directors may have only one position or organization.
4. Sponsor changes are approved only if the person requesting the change notifies the Company in writing and remains inactive for six (6) months and is willing to start over as a Product Representative.

IV. BUYBACK POLICY

A. PRODUCT REPRESENTATIVE

It is the responsibility for the Company to refund the purchase price to the Product Representative on any Product returned to the Company provided the Product is returned within ninety (90) days of purchase, the Product is in the original sealed case and the Product Representative has submitted to the Company a written termination of the Agreement. There is no obligation to repurchase partial cases, tonnage orders or more than sixty (60) points of the Product. The Company agrees to repurchase said Product at 100% of the price paid by the Product Representative less

DISTRIBUTOR AGREEMENT

freight both ways. Payment will be made by the Company thirty (30) days after receipt of the Product.

B. MANAGER / SUPERVISOR / DIRECTOR / SPECIAL ACHIEVEMENT LEVELS

It is the responsibility of the Company to refund the purchase price to the Manager/Supervisor/Director on any Product returned to the Company provided the Product is returned within thirty (30) days of purchase, the Product is in the original sealed case and the Manager/Supervisor/Director has submitted to the Company a written termination of the Agreement. There is no obligation to repurchase partial cases, tonnage orders or more than sixty (60) points of the Product. The Company agrees to repurchase said Product at 100% of the price paid by the Manager/Supervisor/Director, less Rebates paid and freight both ways. Payment will be made by the Company thirty (30) days after receipt of the Product.

V. GENERAL PROVISIONS

A. RELATIONSHIP TO COMPANY

Product Representatives/Managers/Supervisors/Directors are independent marketing Distributors who establish and service retail accounts for the Company's Products. The position is not a franchise nor a distributorship. This Agreement does not create the relationship of employer-employee, agency, partnership, or joint venture between the parties. Each Distributor is an independent business person - not an employee of the company. A distributor has no right to unemployment compensation, workmen's compensation, or any other employee benefit.

B. CONFORMITY WITH LAW AND ETHICAL BUSINESS PRACTICES

As an independent contractor, the Product Representative/Manager/Supervisor/Director agrees to abide by all federal, state and local laws, rules and regulations relating to the sale, distribution and advertising of the Company's Products, and the declaration and payment of any and all federal, state or local taxes or fees which may accrue because of the sales activity engaged in or in the earnings from the activity. The Product Representative/Manager/Supervisor/Director agrees to act at all times in a competent, fair, honest, ethical and courteous manner.

C. USE OF ADVERTISING AND LITERATURE

Any and all advertising and printed material relating to the Company's Products shall be provided by the Company and in the event that the Distributor desires to create any original advertising or printed material, it shall be submitted to the Company in writing and approved by the Company prior to its use and in such case the Distributor is solely responsible for the costs incurred in the production and dissemination of such material.

D. ORDERS

All orders are to be accompanied by a cashier's check, money order, VISA/MasterCard or EFT (Electronic Funds Transfer). If the Distributor fails to pay the Company any amount due, the Company is authorized to apply any commission otherwise payable to the Distributor to such unpaid account.

E. AMENDMENT

This Agreement may be amended by the Company at its sole discretion upon thirty (30) days notice. Notice of the amendment shall be given to all Distributors by mail at their last known address. The thirty (30) days notice shall commence upon mailing.

F. CONFIDENTIALITY

Distributors are prohibited from using or displaying the Company's trade names, trademarks and service marks except with the Company's express written consent. In addition, Distributors shall not use or disclose any of the Company's trade secrets or confidential or proprietary information, including but not limited to Down-line reports. A violation of this provision will be grounds for immediate termination in addition to possible legal action including an action for monetary damages as well as injunctive relief.

G. APPLICANTS

1. Applicants must be at least eighteen (18) years of age and must have been sponsored by a duly registered Manager, Supervisor or Director of the Company and only individuals may become a party to this Agreement; however, a corporation or partnership may conduct business through such an individual. Husbands and wives both cannot be applicants.

Only one applicant per family until children reach eighteen (18) years of age. Dynamite® may reject any applicant in its sole discretion.

2. As the relationship between the Distributor and the Company is personal, the Agreement is NOT assignable by the Distributor. However, in

the event of the death, disability or retirement of a Product Representative, Manager, Supervisor, or Director, the Company may accept a qualified spouse, heir, personal representative or other third party replacement if the heir or assign complies with all original requirements of this Agreement.

H. GOVERNING LAW

This Agreement shall not be effective until accepted by the Company at its home office in Meridian, Idaho. This Agreement shall be governed by, and construed in accordance with the laws of the State of Idaho.

I. ENTIRE AGREEMENT

This Agreement contains the entire Agreement between the parties and supersedes all prior or contemporaneous negotiations, discussions, or understandings of the parties.

J. SEVERABILITY

Any provision of this Agreement prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions of this Agreement.

VI. TERMINATION

A. The Product Representative, Manager, Supervisor, or Director may terminate this Agreement at any time upon thirty (30) days written notice to the Company.

B. The Company may terminate this Agreement upon written notice in the following instances:

1. If the Distributor fails to pay the annual fee.
2. If the Distributor fails to pay any amounts owing to the Company when due.
3. If the Distributor discloses any of the Company's trade secrets or confidential or proprietary information involving disclosures of down-line information.
4. If the Distributor makes any misrepresentation or fails at anytime to act in a competent, fair, honest, ethical and courteous manner which may be detrimental to the Company or any other Company Distributor.

VII. EFFECT OF TERMINATION

Upon the termination of this Agreement for any reason, the Distributor shall cease to be an authorized dealer in the Company's Products. The Distributor shall immediately pay the Company all sums due and owing and should the Distributor fail to do so, the Company is authorized to apply any commissions otherwise payable to the Distributor to such unpaid account. The Distributor shall immediately discontinue all use of the Company's trade secrets, trademarks, service marks and confidential and proprietary information. All promises and agreements of the Distributor that are to be performed after the termination of this Agreement shall survive the termination.

VIII. MISREPRESENTATION RELATING TO APPROVAL OF MARKETING PLAN

Public and private consumer protection agencies do not approve marketing plans of direct selling organizations, therefore any Dynamite® Product Representative, Manager, Supervisor, or Director or any other person associated with the Company in any capacity, subject themselves to immediate termination of their relationship with the Company if they make any representation that the marketing plan set out in the Agreement or any other aspect of the Company's business has been approved by any State Attorney General, Better Business Bureau, or any other public or private agency.

IX. ARBITRATION

Any controversy between the Distributor and the Company arising out of this Agreement shall be settled by arbitration governed by the American Arbitration Association ("AAA") upon application by either party. Each party shall select one arbitrator and the two so selected shall select a third, and failing the selection of an arbitrator by either party, or by the two so selected, the claim or controversy shall be settled by the AAA. The arbitration proceedings shall be conducted in accordance with the AAA rules then prevailing. Judgment upon an award by a majority of the arbitrators shall be filed in a court of competent jurisdiction and shall be binding upon all parties to the arbitration.