



# Membership Agreement



## Member Information:

Name: \_\_\_\_\_ Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ e-mail: \_\_\_\_\_

Federal ID# \_\_\_\_\_ County: \_\_\_\_\_

**THIS MEMBERSHIP AGREEMENT** is entered into by and between Alliance Flooring, Inc., a Tennessee Corporation (the "Company") and \_\_\_\_\_ (the "Member") on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

WHEREAS, the Company provides certain services and business support to member independent retailers in the floor covering industry;

WHEREAS, the member desires to become a member of the Company's network of independent retailers in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the foregoing of the mutual covenants and agreements contained herein, the parties hereby agree as follows:

1. Covenants and Agreements of the Member. The member hereby agrees and covenants as follows:
  - (a) The Member is not associated with any other buying group or other network of retailers in the floor covering industry that provides services that are the same or similar to the services provided by the Company;
  - (b) The Member shall merchandise and promote the Company's core product collection, which is a range of carpeting products with respect to which the company will from time to time arrange for a special promotion;
  - (c) The Member shall maintain a good credit standing with affiliated suppliers of the Company; and
  - (d) The Member shall support and must make at least 70% of its floor covering purchases from affiliated suppliers of the Company by the second year of membership.

2. Obligations of the Company. The Company shall provide the member with the basic benefits and services provided all of its Members, as set forth in the Member Manual which may change from time to time in the Company's sole discretion.

3. Rebates. The Company shall collect rebates from the affiliated suppliers. Rebates will be paid in the Company's discretion to the Members semi-annually, pro rata in accordance with each Member's dollar volume of purchases. Rebates are payable to members only if received from suppliers and on qualifying purchases as defined in the membership manual. Internet sales may not qualify from individual suppliers.

4. Termination of Existing Rebate Agreements. This Agreement supersedes all existing rebate agreements the Member may have with any affiliated supplier of the Company. The Member agrees and acknowledges that any



# Membership Agreement



such rebate agreements may be terminated effective upon the Member's execution of this Agreement and any rebates payable to the Member under such rebate agreements shall hereafter be paid directly to the Company and then allocated in accordance with the rebate schedule.

5. License Agreement. The Company and the Member are contemporaneously entering into a License Agreement. This Membership Agreement will automatically terminate upon termination of the License Agreement. Upon termination of the Agreement, rebates due the Member at time of termination shall be paid at the next applicable payout period.

6. Transferability. The Member may not assign or transfer this Agreement or any of its rights or obligations as a Member under this Agreement. Any attempted assignment by the Member shall be deemed to be null and void and of no effect.

7. Independent Contractor. The Member is, and at all times shall be, an independent contractor. Nothing contained in this Agreement shall be construed as constituting the Member as the employee, partner, agent, or legal representative of the Company or as authorizing the Member to create or assume any obligations or liability in the name of the company or to subject the company to any obligation or liability.

8. Designation As Agent. Member hereby designates Company to receive all rebates due from affiliated suppliers.

9. Governing Law. This Agreement shall for all purposes, be governed by and construed in accordance with the laws of the State of Tennessee and any controversy or claim arising out of, or relating to, this Agreement, or the breach thereof, shall be settled by the courts of the State of Tennessee, without giving effect to the principles of the conflicts of law.

10. Entire Agreement. This agreement constitutes the entire understanding and agreement between the Company and the Member with respect to the subject matter hereof and supersedes all prior negotiations, understandings and agreements, whether written or oral, between the Company and the Member with respect to the subject matter hereof.

I understand my affiliation with Alliance Flooring Inc. supersedes any existing rebate program I have with any other buying group, co-op, franchise, or distributor. I designate and/or change my group registration to Alliance Flooring Inc.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the date and year first above written.

**Licensor:**

**Licensee:**

Alliance Flooring, Inc.

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name / Title

\_\_\_\_\_  
Print Name / Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_