

SCHEDULE 6
TO
MASTER DISTRIBUTION AGREEMENT
Form of Participation Agreement
PARTICIPATION AGREEMENT

Participating Company: _____ NICA ID# _____
Company Address: _____ City: _____ State _____ Zip: _____
Participant Management/Ownership Company Name: _____
Single Unit or Multi-Unit: _____ (If Multi-Unit, please attach Multi-Unit Location List).
Distributor operating Company Name _____ Division Number _____
Distributor Customer Numbers: _____

This Participation Agreement is entered into as of _____, by and between the undersigned ("**Customer**"), as owner or operator of certain establishments (the "**Customer Locations**") and Sysco _____, [Inc.] [LLC] (the "**Distributor**") on behalf of Sysco Corporation and certain of its operating subsidiaries and affiliated companies (individually, an "**Operating Company**" and collectively, "**Operating Companies**," which includes Distributor), which together with Sysco Corporation, are referred to collectively as "**Sysco**." Sysco is approved to provide distribution services to Customer, as a franchisee or member of a group purchasing organization with, or a company that obtains procurement services through Source1 Purchasing or any of its affiliates (the "**Master Organization**") pursuant to that certain Master Distribution Agreement entered into between Sysco and the Master Organization (the "**MDA**"). All capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to them under the MDA.

In consideration of the premises and the mutual covenants, the sufficiency of which is acknowledged by them, the Customer and Operating Company agree as follows:

Agreement

1. Binding Nature of the MDA. By his/her/its signature below, Customer specifically acknowledges and agrees:
(i) Sysco's distribution of Products to Customer Locations will be pursuant to the MDA between Sysco and Master Organization, as such arrangement may be modified by any location specific terms set forth in Exhibit A attached hereto ("**Location Specific Terms**");
(ii) the sell price of Products distributed to the Customer Locations and set forth in the order entry system provided by Sysco is the result of negotiation between the Master Organization and Sysco; and (iii) to be bound by any adjustments in the pricing terms permitted under the MDA and/or negotiated and agreed to by the Master Organization.
2. Credit Terms. Credit terms are established in the separate Credit Application executed and submitted by Customer to Distributor.
3. Financial Reports. The continuing creditworthiness of Customer is of central importance to Distributor and Sysco. In order to enable Distributor to monitor Customer's financial condition, Customer will, if requested by Distributor, supply quarterly and annual financial statements to Distributor consisting of an income statement, balance sheet and statement of cash flow. Distributor may request and Customer will provide such further financial information from time to time, sufficient, in Distributor's judgment, to enable it to accurately assess Customer's financial condition.
4. Termination/Delivery Stoppage.
 - a. This Agreement may be terminated: (i) by Distributor, upon the termination of the MDA, or by reason of the circumstances permitting termination of the MDA, even if not exercised, by Sysco; (ii) by Distributor, upon the direction of the Master Organization; (iii) by either party, upon the termination of the agreement between Customer and Master Organization that establishes the terms under which Customer purchases Products through the Master Organization; (iv) by Distributor, immediately upon written notice to Customer if Customer's financial position deteriorates materially, as determined by Distributor in its sole judgment, or Sysco becomes aware of any circumstances that, in Distributor's sole judgment, materially impacts Customer's ability to meet its financial obligations under this Agreement; or (v) by either party, upon one hundred eighty (180) days' prior written notice to the other party for failure of the other party to comply with any material provision of this Agreement, unless, with respect to not more than one such failure, such failure is cured within such one hundred eighty (180)-day period. Absent such earlier termination, this Agreement shall remain in full force and effect until the expiration of the MDA.
 - b. In the event Customer fails to pay for any Products delivered to any Customer Locations within the approved payment terms established pursuant to this Agreement or the Credit Application, Distributor, immediately upon written notice to Customer, shall be entitled to withhold any future deliveries of Products to the Customer Locations until Distributor receives payment in full of the Sell Price with respect to such Products and any finance or late charges permitted under the Customer's Credit Application. In addition, in the event that Customer fails to timely pay for Products delivered to any of the Customer Locations, Distributor may condition future deliveries of Products to the Customer Locations upon more stringent credit and/or payment terms, such as, without limitation, shortened payment periods, cash on delivery, cash in advance, the receipt of satisfactory guaranties that guaranty payment to Distributor for such Products, and/or the pledging of collateral to secure such payments.

5. Release. Customer agrees that Distributor's ability to perform distribution services for Customer under this Agreement is expressly contingent upon the Master Organization's approval for it to do so. Accordingly, **Customer hereby releases Distributor, Sysco, Affiliates, and each of their respective officers, employees, and directors from any and all losses, damages, or claims ("Claims") that Customer may have or suffer as a result of (i) Sysco's discontinuance of services, in whole or in part, to Customer as a result of notice or instructions from the Master Organization to cease such services or the termination of the MDA and (ii) Sysco's sharing of information with the Master Organization concerning purchases by Customer, Customer's accounts receivable with Sysco, and other similar matters relating to Sysco's relationship with Customer relating to the MDA. Customer further releases Distributor, Sysco and their Affiliates from any Claims arising from Sysco's payment of allowances or other compensation to the Master Organization or its designee, based, in whole or in part, upon sales of Product to Customer. Customer specifically consents to disclosure of the information described in clause (ii).**

6. Warranties.

a. Sysco warrants that all Products other than Products which Master Organization has entered into arrangements with the supplier of such Products concerning the purchase of such Products by Master Organization and its members/franchisees ("**Customer Directed Products**"), as of the time of delivery to Customer, (i) will meet the specifications for such Product contained within Sysco's order guide and other written specifications for such Product provided by Sysco, (ii) subject to the statutory trust imposed by the Perishable Agricultural Commodities Act, will be free and clear of any adverse lien or security interest, and (iii) to the extent the Product is subject to the Federal Food, Drug and Cosmetic Act, as amended from time to time (the "**FDC Act**"), will not be adulterated or misbranded within the meaning of the FDC Act. Sysco warrants that, subject to the statutory trust imposed by the Perishable Agricultural Commodities Act, all Customer Directed Products will be free and clear of any adverse lien or security interest. **NO PERSON IS AUTHORIZED TO MAKE ANY WARRANTY OR REPRESENTATION IN ADDITION TO OR IN CONFLICT WITH THE WARRANTIES SET FORTH IN THIS SECTION 6.**

b. Except as expressly provided herein, **SYSCO MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR WARRANTIES THAT ARISE FROM TRADE USAGE OR CUSTOM.**

c. In no event shall either Sysco or Customer be liable **FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY SORT (INCLUDING WITHOUT LIMITATION, LOST PROFITS AND LOST ENTERPRISE VALUE) INCURRED BY THE OTHER PARTY WHETHER IN AN ACTION IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE PERFORMANCE OR BREACH THEREOF, EVEN IF IT IS ADVISED OF OR COULD HAVE FORESEEN THE POSSIBILITY OF SUCH DAMAGES,** except for losses arising from third party claims that are subject to the indemnification obligations described in the MDA or losses suffered by a party as a result of the breach by the other party and/or its affiliates, employees, officers, or directors, of the confidentiality provisions set forth in this Participation Agreement.

7. Waiver of Jury Trial. Customer affirmatively waives its right to jury trial with respect to any disputes, claims or controversies of any kind whatsoever under this Agreement or the MDA.

Effective as of the date first above written.

CUSTOMER:

Company: _____

Signature: _____

Name: _____

Title: _____

Email: _____

Date: _____

DISTRIBUTOR:

Sysco _____, [Inc.] [LLC]

Signature: _____

Name: _____

Title: _____