

REVENUE SHARING AGREEMENT

THIS AGREEMENT (the "Agreement") is made the _____ day of _____, 20____ (the "Effective Date").

BETWEEN:

[NAME OF DISTRIBUTOR]
[name and complete address]
(hereinafter referred to as "Distributor"
which following assignment shall include its actual assigns);

-and-

[NAME OF SUPPLIER]
[name and complete address]
(hereinafter referred to as "Supplier"
which shall be deemed to include its permitted assigns).

WHEREAS:

- A. Distributor and certain of its Affiliates (the terms initially capitalized in this Agreement and not otherwise defined herein shall have the respective meanings set forth in Paragraph 1 of this Agreement) own, operate and franchise retail stores which, among other things, rent, sell and market [describe product] to the general public; and
- B. Supplier and certain of its Affiliates acquire, produce, license, market and sell [describe product]; and
- C. Distributor is willing to obtain, on the terms and subject to the conditions hereinafter set forth, a specified number of each _____ distributed by Supplier during the Term; and
- D. Distributor is willing and has the operational capacity to report electronically on an ongoing basis during the Revenue Sharing Period information as to the sale of Products as set forth in Exhibit C, attached hereto and made a part hereof.

NOW THEREFORE, based on the above premises and in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS:

- a) "**Affiliate**" shall mean (i) in the case of Supplier, [name of affiliate corporation to Supplier] ("Supplier's Affiliate") and all entities controlled by [Supplier's Affiliate]; and (ii) in the case of Distributor, all companies which are controlled by Distributor or which have a common direct or indirect parent.
- b) "**Bad Debt**" shall mean [define].
- c) "**Distributor Headquarters**" shall mean the corporate office of Distributor located at [complete address].
- d) "**Distribution Center**" shall mean Distributor's distribution center that is currently in [city, state]. Distributor may add an additional [number] (no.) delivery points at its option.

- e) **"Franchise Stores"** shall mean Distributor franchise stores that are operated pursuant to binding franchise agreements. If designated by Distributor as ordering Products through Distributor, such Franchise Store shall become a Participating Store.
- f) The **"Matrix"** shall mean Exhibit A, attached hereto and made a part hereof, which sets forth the obligations for Products. The Matrix is based on the following assumptions:
_____.
- g) **"Month"** or **"Monthly"** shall mean Distributor's accounting cycle that is based upon a _____ [day / week] rotation as set forth in Exhibit •, attached hereto and made part hereof.
- h) **"Participating Store"** shall mean (i) any [type of] Store in the United States, which at the relevant time during the Term of this Agreement, is wholly owned and/or operated by Distributor and/or its Affiliates under the Distributor trademarks; (ii) if designated by Distributor as ordering Products through Distributor, any [type of] Store in the United States, which at the relevant time during the Term of this Agreement, is wholly owned and/or operated by Distributor and/or its Affiliates not under the Distributor trademarks which elect to participate pursuant to the terms and conditions hereof; and (iii) Franchise Stores which elect to participate pursuant to the terms and conditions hereof.
- i) **"Product(s)"** shall mean Products obtained by Distributor from Supplier for sale in _____. [Outline anything that is specifically excluded]
- j) **"Promotional Credits"** shall mean _____.
- k) **"Revenues"** shall mean _____.
- l) **"Revenue Sharing Period"** shall mean the period commencing on [date] of the relevant Products and running through the end of twenty-six (26) weeks immediately thereafter.
- m) **"Store"** shall mean a retail outlet that has at least _____ square feet and that is primarily engaged in the sale of Products.

2. AGREEMENT TERM:

The term of this Agreement shall be for [number] (no.) years (the "Term"), commencing as of [date].

3. TERRITORY:

The territory for purposes of this Agreement with respect to each Product shall be the United States, its territories and possessions, to the extent Supplier owns or controls such rights to territories and possessions of the United States (the "Territory").

4. DISTRIBUTOR COMMITMENTS:

Beginning as of the date of this Agreement for Participating Stores, Distributor agrees as follows:

- a) The following terms shall apply to Products:
 - i) Products. For each and every Product Distributor agrees to obtain from Supplier, and Supplier agrees to provide to Distributor, a specified number of Products as mutually determined by Distributor and Supplier, provided however, that if the parties cannot agree on a quantity of Products, Distributor agrees to obtain from Supplier, and Supplier agrees to provide to Distributor, the number of Revenue Share Product of each Product as set forth in Exhibit A.
 - ii) Upfront Price: The price of each Revenue Share Product shall be an amount (the "Upfront Price") equal to \$_____ per Revenue Share Product. See Exhibit D attached hereto and made a part hereof, for illustration purposes only.

- iii) Supplier's Share of Revenues: The share of Revenues paid by Distributor to Supplier shall be:
- (A) During the first _____ of the Revenue Sharing Period, ____% of the Revenues,
 - (B) During the remaining _____ of the Revenue Sharing Period, ____% of the Revenues,
 - (C) [Number] Dollars (US _____) of the Upfront Price shall be deducted from Supplier's share of Revenues for each Product.