BETWEEN:

Investee _____ **"Entrepreneur"**

_____

_____

Email: _____

AND,

Investor _____ **"Investor"**

_____

_____

Email: _____

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, this Letter Agreement ("Agreement") is entered into effective _____ __, 20__:

1. Definitions.

1.1 "Annual Return Payment" means an amount equal to ____ percent (__%) of Entrepreneur's Gross Annual Income for each 12-month period beginning on January 1 and ending on December 31, with any partial year being prorated based on number of days.

1.2 "Appreciation" means (i) the FMV of each non-liquid asset of Entrepreneur at any given time after the date of this Agreement minus (ii) the FMV of each non-liquid asset of Entrepreneur as of the date of this Agreement (or the date of acquisition of such non-liquid asset, if after the date hereof), as set forth on Schedule A to this Agreement. For the purpose of clarity, "Appreciation" for a non-liquid asset may be a negative number.

1.3 "FMV" means fair market value. The fair market value of any asset shall be determined by agreement of the parties. If the parties are unable to reach agreement on the fair market value of any asset, determination of such fair market value shall be determined by a third party appraiser reasonably agreed to by the parties.

1.4 "Gross Annual Income" means the total gross income of Entrepreneur listed on line 22 of IRS Form 1040, as amended from time to time (or a successor form).

1.5 "Investment Amount" means an amount equal to _____THOUSAND DOLLARS ($____,000.00).

1.6 "Non-cash Income" means the net Appreciation on all non-liquid assets of Entrepreneur, including, without limitation, all ownership interests in entities (e.g., corporations, limited liability companies, partnerships, joint ventures), real estate holdings, securities, etc. Entrepreneur shall list all of his *{her}* non-liquid assets as of the date of this Agreement on his PFS, which shall be attached as Schedule B, and Schedule B shall be updated as of December of each year and delivered to Investor on or before May 1 of the following year, in connection with the delivery of the PFS (defined herein).

1.7 "Non-liquid Assets" means all assets of Entrepreneur, subject to the following:

(a) Assets with a purchase price of $5,000 or less shall be excluded from the definition of "Non-liquid Assets, *unless* such assets are (i) generally known to be collectible items that appreciate over time such as baseball cards, comic books, art, furniture, fine wine, jewelry, and similar items, in which case such items, regardless of the purchase price of such asset, shall be treated as Non-liquid Assets.