THIS AGREEMENT is by and between ILLUSTRATIVE DESIGNS, a Colorado Sole Proprietor (hereinafter referred to as “**ID**”), whose business address is [address], (hereinafter referred to as “ID”) and “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_”, an individual whose address is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as “**Revenue Sharer**”), dated and effective as of the last party to affix their signature below.

**RECITALS:**

WHEREAS **ID** has exclusive use of U.S. Patent No. TBD (“Patent”) for a mechanical device design; assigned through the US Patent Office to **ID**.

WHEREAS in consideration of providing $20,000.00 to **ID** for development costs of said mechanical device at **ID**, and by virtue of **ID** entering into a Manufacturing and Distribution Agreement dated February 7, 2017 (“**ID  Agreement**”) which is incorporated herein by reference; and

WHEREAS the parties wish to compensate **Revenue Sharer** for future revenue generated from the **ID Agreement**, and/or any future successors or assigners of Revenue Sharer. Revenue Sharer will also be entitled to the same revenue share generated by the Patent if the Patent is licensed to and/or manufactured and distributed by a company other than **ID**.
THEREFORE it is agreed as follows:
**Article I. Revenue Sharing**
Maintaining $5,000.00 in the ID general administrative account (to account for basic legal, accounting and general operating costs), Revenue Sharer shall receive 168% (8% per $10,000.00 contribution) of the gross remaining disbursement to ID from its Licensee for the first 10,000 units sold of the mechanical device. From 10,001 – 200,000 units sold, Revenue Sharer shall receive 42% of the gross remaining disbursement, and from 200,001 units thereon, Revenue Sharer shall receive 105% throughout the remainder of the licensing agreement ID has with affiliates, its successors, or any other future licensee(s) ID may do business with.the Manufacturing and Distribution Agreement. ID shall retain the balance of such revenue to utilize as it sees fit.

To protect investor capital contribution, in the event ID is sold to another company or entity, Revenue Sharer will be entitled to receive 10% of the net proceeds from that sale. The net amount realized is defined as the sale price minus any legal, agent, accounting expense, including but not limited to, solicitation or closing costs necessary to transact the sale, and also reduced by any outstanding ID debt at time of sale.
**Article II. Ownership of Patent and Ownership of ID Shares**
It is agreed by all parties that Revenue Sharer has no interest or ownership in the Patent, has no voting power within ID, and that they own no shares of ID. Revenue Sharer’ only compensation is the revenue share as provided above in this agreement.
**Article III. Revenue Sharer’ Entitlement to other Revenue or Consideration**
Section 3.01 The parties agree that Revenue Sharer is not entitled to any other revenue generated by ID of any type or nature, unless that revenue is directly attributable to the mechanical device and any line extension the mechanical device may undergo through its product development cycle.
**Article IV. Independent Contributor**
Section 4.01 The parties agree that Revenue Sharer is an independent contributor of ID and that all payments to Revenue Sharer will not be subject to any tax withholding or FICA or FUTA. Further, all payments paid to Revenue Sharer by ID will be reported to Revenue Sharer on Form 1099 as Miscellaneous Income.
Section 4.02 Revenue Sharer further agrees to indemnify and hold ID harmless for any damages, taxes, or any other amounts ID may incur as a result of ID treatment and classification of Revenue Sharer as a contributor. Such indemnification and hold harmless includes but is not limited to the consequences of ID not withholding any tax on payments to Revenue Sharer and not paying or remitting to any taxing authority any withholding tax, income tax, federal or state FICA/FUTA taxes, or any other withholding upon the payments to­ Revenue Sharer.
Section 4.03 Revenue Sharer shall have the right to audit ID books and records once a year during normal business hours; upon 3 days advance written notice to Leiton Powel, the accountant appointed by ID. Audits of the books would be limited to the disbursements generated by the sales of the mechanical device and any line extensions future accessories associated with it, and to any records of commercialization to companies, a successor to companies, or any future licensee(s), provides to ID to account for the disbursements.

**Article V. Miscellaneous**
Section 5.01 Attorney Fees
In the event any party deems it necessary to commence an action or proceeding to enforce its rights here under, the prevailing party to such action shall be entitled to have all costs of such action, including but not being limited to reasonable attorneys’ fees and court costs, directly paid or reimbursed by the losing party to such action.
Section 5.02 Entire Agreement
This Agreement constitutes the entire agreement between the parties hereto, and it is understood and agreed that all undertakings and agreements heretofore had between these parties are merged herein. No representation, promise or inducement not included herein shall be binding upon any party hereto. The appropriate gender will be read into all pronouns used herein to reference any of said parties whenever the context of this Agreement so requires.
Section 5.03 Amendments in Writing
This Agreement may not be changed orally, but only by an agreement in writing signed by the Parties.
Notice
Notices given pursuant to this Agreement shall be in writing, delivered in person or by certified mail, return receipt requested, or by Federal Express or comparable overnight delivery service, addressed to the mailing addresses given below. The time of postmark shall be deemed the time of receipt of mailed notices and the time of delivery service receipt shall be deemed the time of receipt of overnight delivery service transmittals.

(a) Notices.
All notices required to be given in this Settlement shall be made in writing either by:
(i) given, delivered or served by personal service, in which case it shall be conclusively deemed to have been given or delivered on the date of such service;
(ii) sent by prepaid registered or certified mail addressed to the party for whom it is intended at the address last known to the sender, in which case it shall be conclusively deemed to have been given or delivered on the fourth day after the date of mailing; or
(b) Delivery.
For purposes of this Settlement “delivery” shall mean: (i) personal delivery to any party; or (ii) mailing with sufficient postage prepaid to the party requiring notice.
Section 5.04 Duplicate Originals.
This Settlement may be executed in several counterparts; each counterpart shall be considered a duplicate original Settlement and may be relied upon as if it were an original.
Section 5.05 Successors and Assigns
The provisions of this Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, successors and assigns and the legal representatives of their estates, as the case may apply.
Section 5.06 Time is of Essence
Time is of the essence of this Agreement.
Section 5.07 Governing Law
This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Colorado.
Section 5.08 Counterparts and Copies
This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument. Any facsimile copy or signature shall be deemed equivalent to an original.

IN WITNESS WHEREOF, the parties hereto set their respective hands and affix their seals the day and year indicated below.
Witnessed By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attest: Title:

Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Illustrative Designs
Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_