SHARED EARNINGS AGREEMENT BETWEEN EARNEST CAPITAL AND [Company Name], INC.

[Date]

The following is a summary of the principal terms with respect to the proposed financing of [___________], Inc., a [Delaware] corporation (the "**Company**"). Except for the section entitled "Exclusivity" and "Confidentiality," this summary of terms does not constitute a legally binding obligation. The parties intend to enter into a legally binding obligation only pursuant to definitive agreements to be negotiated and executed by the parties.

Amount of Investment	[$150,000]
Shared Earnings	By the 10th day of each quarter, the Company will pay the Investor the Percentage (as defined below) of the Company's Founder Earnings (as defined below) in the preceding quarter, until the Investor has received the Return Cap.
The Percentage	The Percentage shall be [30]%.
Net Income	Net Income means net income determined in accordance with GAAP.
Founder Earnings	Founder Earnings means Net Income, adding back any founders' salaries above an agreed amount.
Return Cap	The Return Cap will be [3]X the investment amount.
Equity Basis	The Equity Basis will be the greater of (i) any unpaid portion of the Return Cap, or (ii) the Amount of Investment.
Equity Conversion	Prior to repayment of the Return Cap, the Investor has the right, at its option, to convert the Equity Basis into the shares sold by the Company in its next fixed-price round of financing, at a price per share equal to the lesser of (i) the price of the securities sold in the next financing, or (ii) at a price per share calculated by dividing the Valuation Cap (defined below) by all issued and outstanding shares plus all shares reserved for issuance under any equity incentive plan at the time of the closing of the next financing.
Valuation Cap	$[3,000,000].
Sale	On a sale of the Company, the Investor is entitled to receive the greater of (i) the Equity Basis or (ii) the amount the Investor would be entitled to receive if it converted the amount of the Return Cap remaining to be paid at the Valuation Cap.
Information Rights	The Investor is entitled to standard information and inspection rights including any records of accounting necessary to verify Payment to Investor calculations.
Board Observer	The Investor will be entitled to attend Board Meetings as an observer upon its request, subject to executing a standard form observer confidentiality agreement.

Participation Rights	The Investor will have the right to participate on a pro rata basis in subsequent issuances of equity securities, subject to customary exclusions.
Confidentiality	Without the consent of the Investor, the Company shall not disclose these terms to anyone other than the Company's officers, directors, and key service providers.

COMPANY: [__________, INC.]	INVESTOR:
______________________________	______________________________
Name: ________________________	Name: ________________________
Title: ________________________	Title: ________________________
Date: ________________________	Date: ________________________