

Candy for a Cause™ Royalty Agreement

This agreement is made on _____ (date) between Sheridan Systems located at 247 Cayuga Road, Buffalo, NY 14225, and _____ (Customer) located at _____ (address).

Sheridan Systems is a supplier of charity displays, snack boxes, and related products. The Customer would like to use Sheridan Systems Pink Ribbon Charity Displays, item code number 422PR, for routes in the Customer's area. The Customer will pay a royalty fee of fifty cents per month for 90% of each Pink Ribbon Charity Display purchased. For 10% of the Pink Ribbon Displays, there is no royalty charge as the Customer may use these to swap out during route servicing. After the Customer purchases 1,100 Pink Ribbon Displays, there are no royalty fees charged for any further Pink Ribbon Displays purchased. Therefore, the royalty fees will not exceed 1,000 displays. This way, you can build up to a significant business with a goal of over 1,000 displays and not have excessive royalties hindering your growth. After that, you won't have to worry about excessive royalty fees, sending back display tops, and leaving a display in an accounts that you aren't sure about, but is right near a high revenue account.

Benefits to Your Company

1. The Customer has a "one stop shop" to supply their business.
2. The Customer will have an easier time placing the displays in retail locations because of the well-advertised pink ribbon.
3. The Customer will have a printed statement of their donations.
4. From the royalty fees, there will be a percentage of monies used for a national advertising fund. This will accumulate and national advertising will be produced to explain and excite the program to merchants and final consumers. This will make it much easier to place the displays and have the final consumer be more inclined to purchase something from the display.

Terms and Conditions

- I. This agreement is valid as long as the Purchaser has not returned the Pink Ribbon Charity Displays with a written request to terminate this agreement.
- II. The royalty fee is fifty cents per month for each Pink Ribbon Charity Display purchased. This will be automatically charged monthly to Customer's Master Card or Visa (please circle one) credit card number _____ with expiration date of _____.
- III. The amount donated to the charity will equal the fifty cents less 7% advertising fund, 3% credit card fee, and 38% maintenance fee.
- IV. If a Pink Ribbon Charity Display is damaged, then the Customer can mail back the top area of the pink ribbon to Sheridan Systems to stop the charges for that display. If the Pink Ribbon Charity Display is lost at a location, then the Customer can send a name and address of the location where the display was missing to stop the charges for that display. This will keep an accurate count of your displays and required donation amounts.
- V. The royalty fee will increase 4% every January (that's only 2 cents each royalty)
- VI. Each Pink Ribbon Charity Display Customer must purchase a zip code agreement. This will help keep your territory.
- VII. Sheridan Systems will be held harmless by customer for any claims or liabilities arising from any act or omission of Customer.
- VIII. If the royalty payments fall delinquent over 30 days, then the Customer will be in default of the agreement and be sued under the State of New York. If the customer breaches this contract, the contract agreement is governed by the laws of NY and Customer hereby consents to jurisdiction of NYS Supreme Court, Erie County. In case of breach, Customer shall pay the cost of Sheridan Systems' attorney fees.

| Customer (Printed Name) | Customer (Signature) | Date Signed |
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