



CONTRACT \$295. SILVER GROUP :-- CONTRACT REVIEW .

Attachment : A

Print name of INVESTOR:

_____, the party of the first part who hereafter shall be known as "Investor", desires to invest in the products developed by ZOOM LLC. The party of the second part, ZOOM LLC a Limited Liability Corporation registered in the State of New York and a sole proprietorship owned by Richard Neff, shall hereafter be known as "Company". All products being offered for investment have been invented by Richard Neff. All rights to said products are owned exclusively by Richard Neff as inventor, and will remain in the ownership of "Company" principle Richard Neff at all times. It is understood by the party of the first part that the proposed investment does not convey any claims of ownership of any products in any manner or at any time by said "investor". The initial investment is \$295.00 this investment covers the cost of protection, development, production, and sale of products developed by the "Company", with the intent that the "investor" and the amount stated above are placed in a "group pool" containing no more than 200 people. This group pool hereafter shall be known as "Silver Group", and this group is to collect a percentage from the company net profits from assigned items to be developed from the list of designated products presented in Attachment C. This Attachment includes all items that the "investors" within the "Silver Group" are eligible to receive percentages for from "Company". Any products apart from those listed in Attachment C which may be developed by "Company" and offered for sale by "Company" through "Company" sales representatives hired or assigned by "Company", are not a part of this agreement. Any sales of designated products done by contracted sales personnel affiliated to "Company" will result in payment of a 10% commission to said sales representatives. These commissions are considered company expenditures and commissions paid out for the designated products will be deducted as such from profits realized on these products before net profits for these products are determined and the designated percentage of these profits is divided among members of the "Silver Group" pool. Percentages to investors will be computed from the date when a product is first offered for sale.

All products offered will follow a set procedure for development, beginning with proper protection to prevent the product from being stolen. All offered products will be protected to the fullest extent possible through the United States Patent Office, by means of a properly conducted patent search, the filing of a provisional patent application if advisable, followed within the allotted time by a traditional patent application. CAD work will be completed for each product, followed by mold development, prototype manufacture, and prototype testing. When testing is completed to the satisfaction of "Company" principle Richard Neff, the manufacturing process will begin. The



percentage being offered to investors herein is 15% of the net profits realized from each of the products designated for the "Silver Group" by whatever method of sales is elected for use by the "Company", to be divided equally among the members of the "Silver Group" only and not by any other entities that may be participants in any other money group function held by the "Company". Any applicable sales tax, as well as a fee for shipping and handling will be added to the purchase price paid for the product by the consumer, and are not deducted from profits divided among "Silver Group" members. Net profits are herein defined as that portion of the gross profits made from sales of any designated product which remains after the following have been deducted: product protection costs, development costs including CAD development, molds, prototype building and testing, production costs including material costs and packaging if applicable, shipping costs from manufacturing facility to warehouse, sales commissions, and day to day operating expenses incurred by the "Company" in connection with the designated product. Payments of these percentages will take place on a yearly basis, with such payments being computed on December 1 of each year for a period of 10 (ten) years from the beginning of sales of the first product. Payment of percentages due to "Silver Group" members will be timed to arrive shortly before Christmas of each year. New products will be added to "Silver Group" every two years, at the beginning of year 3, year 5, year 7, and year 9, for a total of five products. Beginning when each of these products is first offered for sale, the contracted percentage of 15% of net profits from that product will be added to the group pool to be divided by "Silver Group". This percentage will continue to be paid to "Silver Group" for the duration of the 10 year term of this agreement. For products scheduled for production in years 1, 3, and 5, the initial production run will be a guaranteed minimum of 30,000 units, and possibly more, with reorders as often as necessary to keep up with sales volume. Products designated for production in year 7 and year 9 would have a minimum initial production run of 100,000 units, again with reorders as necessary. For this reason, even though the time period for collecting percentages on these products is shorter, the amounts themselves would be higher since the production runs would be larger.

"Investor" understands that this investment contains an element of risk, as profits are directly determined by sales of the products which are developed. The "Company" is not responsible if one product does not do as well as another. This fact is determined by consumer preference, and is outside the control of the "Company". "Investor" will be paid the agreed upon percentage of net profits for any and all units sold. There will be no compensation made for units manufactured but not sold. No guarantee of the amount of income resulting from said investment is being made, nor could be made. Any further attachments to this contract must be signed and notarized by "investor" and authorized "Company" representative.

If at any future time a lawsuit should be filed that would stop production of any of the designated products for any reason, payments to "Investors" from said product would cease until completion of any and all legal actions, but percentages from other non-disputed products would continue to be made at the designated times.

Attachment: B

if any product begins to lose money, the production of additional units can be



ceased only by "Company" owner Richard Neff. He has sole and final responsibility in the event that the "Company" decides to end the production and sale of units of the product in question. This could happen for the following reasons: those product sales have dropped for a period of four consecutive months and the company is losing money, or if a new product should arrive on the market that would decrease sales below the amount needed to maintain profits. This would be determined by examining sales projections and comparing them with quotas that must be met to keep the company from pursuing the project so far as to begin losing capital. Should "Company" owner decide to cease production of any product for any reason, he must give all "Silver Group" members 30 days written notice before the shutdown of any project. In the event that this should occur, "Company" would provide members of the group to which the product is assigned with written verification of the reasons for the shutdown. Also, in this event, there would be no further payment of percentages to members of the group for the discontinued product, since that product is no longer being produced. In the event that a product is discontinued before the duration of the contract is completed, the "Company" shall replace the item with a newer item of "Company's" choosing.

In the event any "Silver Group" member should become deceased, the amount of the percentage agreed to within this document will be paid directly into the estate of the deceased member on the same time schedule on which it would be paid if the member were still living, for the duration of the contract. For this to be available, member must file a document with the "Company" stating the name and address of the party to receive the payments.

The "Company" will make every effort to make all products available through whatever sales methods have been deemed to be most effective for that particular product, including special seasonal sales campaigns if applicable .

INVESTOR : _____

Products available for development

- | | |
|---------------------|-----------------------------|
| 1. AIRFLING | Description: FLYING TOY |
| 2. MAILROX | Description: SCHOOL MAILBOX |
| 3. FLOAT - A - BACK | Description: SPORTS TOY |
| 4. TOUCHDOWN | Description: TARGET GAME |
| 5. WA - DA | Description: FLYING TOY |

The above is a listing of products available for development. Each investor will receive percentages from a total of 5 (five) products.

This agreement is being entered into voluntarily by both parties, with full knowledge and understanding of its terms. By the signing and witnessing of this document, "Investor" does hereby acknowledge that he has read and understood said document, and does agree to be bound by the provisions set forth herein. By the same signing and witnessing of this document by its authorized representative, "Company" agrees to be bound by these provisions for the period of time specified in the terms of the agreement.



(Printed name - investor) (Printed name - company representative)

(Signature - investor) (Signature - company representative)

____/____/2012 ____/____/2012

(Date) (Date) _____

(Printed name-witness) (Printed name-witness)

(Signature - witness) (Signature - witness)

____/____/2012 ____/____/2012

(Date) (Date)