

LICENSEESHIP AGREEMENT

THIS LICENSEESHIP AGREEMENT (this "**Agreement**") is made this ____ day of _____, _____, by and between THE AFRICAN AMERICAN CONNECTION, LLC, an Indiana limited liability corporation with its mailing address at P.O. Box 535, Westfield, Indiana 46074 (the "**Company**"), and LICENSEE, with its Principle place of dwelling located at _____, _____, (the "**Licensee**") (the Company and the Licensee are collectively referred to as the "**Parties**") and consisting of the general Licensees found on the signature page to this Agreement (the "**Licensees**").

RECITALS

WHEREAS, the Company wishes to retain the Licensee as an independent contractor under the terms and conditions of this Agreement; and WHEREAS, the Licensee wishes to accept the Company(s) appointment under the terms and conditions described herein.

AGREEMENTS

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Article 1. DUTIES OF THE PARTIES.

Section 1.1

Services.

The Licensee agrees to sell the services offered by the Company, including the sale of memberships to the African American Connection website located at aaconnection.com (the "**Website**"), advertisements on the Website, and other services offered by the Company (collectively, the "**Services**").

Section 1.2

Appointment and Acceptance.

The Company hereby appoints Licensee as its exclusive representative to sell the Services in the States of _____ (the "**Territory**"). The Company grants this appointment exclusively to Licensee; provided, however, that any and all sales of the Services of the Company in the Territory, whether made by Licensee, the Company or otherwise, shall give rise to the Company's obligation to pay Commissions, as defined in Section 3.1, to Licensee. Licensee accepts such appointment and agrees to promote the sales of the Services within the Territory.

Section 1.3

Meetings.

During the Term and during any extension thereof, the Licensee hereby agrees to make at least one (1) of its Licensees named herein available to meet in person or by way of a webinar with a representative of the Company at least once a quarter, at a time and location to be determined by the Company in its solo discretion by giving the Licensee at least five (5) days prior written notice.

Section 1.4

Company Policies.

At all times during the Term and any extension thereof, the Licensee hereby agrees to abide by all written policies of the Company as provided by the Company to the Licensee from time to time.

Section 1.5

Service Escalation/Member Services.

If Member Merchants experience any technical difficulties, they will click this or a similar link <http://aaconnection.com/support/index.php> to submit a support ticket. Most technical issues are resolved within 24 hours of submittal.

Section 1.6

Service Escalation/Payment Services.

All payment transactions to licensee, licensee's member merchants, and licensee's affiliates shall be the sole responsibility of the company, and shall be paid in accordance with the pay rate described in article 4.1, 4.2, and 4.2a of this agreement. Any dispute to payments owed to licensee, past or present shall be subject to the arbitration addendum to this agreement.

Article 2. TERM AND TERMINATION.

Section 2.1

Term of Agreement.

Upon the signing of this agreement between the parties, the 'COMPANY' agrees to submit to the 'LICENSEE' a ninety day marketing proposal for the purpose of enrolling three hundred (300) AAC member merchants within the territory of the licensee consisting of any combination of category identified under the definition as defined by the company as being a AAC member merchant i.e. **African American Businesses (Red category) African American Commission Based Sales Professionals (Green category) and Non African American companies (Yellow category).** Under the terms of this agreement, ENROLLING is defined as any combination of AAC member merchant category which is fully enrolled through the process of the first month payment within a subscribed member merchant category. The obligation to retain the member merchant once enrolled by the company is the sole obligation of the licensee. The marketing agreement shall be agreed upon and acknowledged through the signatures of the parties and immediately initiated by the company. The licensee shall offer the company its full participation and cooperation in the initiation of the final marketing agreement. Any party to marketing agreement that documents three (3) separate incidents of non compliance to the terms of this agreement shall be grounds of termination of both agreements i.e. the licensee agreement/marketing agreement. Upon the circumstance that the company, operating in full compliance of the marketing agreement, fails to enroll three hundred (300) member merchants within the territory of the licensee within the dates agreed upon by the parties per the marketing agreement, the commission rate as outlined in **Article (3a) COMPENSATION** will be paid to the licensee up and until such time that the company fulfills its obligation to provide the licensee with three hundred (300) member merchants as defined within the terms of the marketing agreement. The company shall continue to pay the licensee its commission in accordance with the commission rate as set forth in **Article (3a) COMPENSATION, until such time that the company can verify the first months billing to the licensee for three hundred (300) AAC member merchants enrolled within the licensee's territory.**

Section 2.1a

Except as otherwise provided herein, the term of this Agreement (the **Term.**) shall be for a period of two (2) years with the first option of renewal extended to the licensee for a period of thirty days and a renewal fee being paid to the company in the amount of ten percent of gross revenue paid to licensee over the two year term of this agreement.

Section 2.2

Termination.

Notwithstanding anything to the contrary contained herein, the Company may terminate this Agreement at any time during the Term (or at any time thereafter if the initial Term is extended) upon thirty (30) days prior written notice or immediately upon written notice to the Licensee in the event that: (a) the Licensee fails to meet the Advertising Quota, as set forth in section 3.1 of this agreement; (b) the Licensee makes (or is discovered to have made) any false representations, reports, or claims to the Company or to any third party in connection with this Agreement regarding the Services of the Company, or the Company as a whole; or (c) the Licensee engages in fraudulent, criminal or negligent conduct or violates any laws in connection with the business relationship of the Parties or the performance of his duties hereunder; or (d) the Licensee breaches any provision of this Agreement. If the Company commences dissolution, termination or regresses to an inactive status, Licensee will receive written notice 45 days prior to any finalized dissolutions of the Company. In addition, the Company will provide the web based software platform, databases and other pertinent tools to Licensee for \$250,000. Intellectual Property and such referenced tools will be released in whole to Licensee and all ownership rights waived by the Company. The Company will be entitled to 12 months of membership dues from the date of noted dissolution/termination. In the event Licensee dissolves/terminates its corporate status or this agreement, the Company shall be notified via written notice 45 days prior to an executed dissolution/termination. Licensee will receive membership dues up to 12 months from the date of termination.

Article 3. TERRITORY.

Section 3.1

Territory.

Licensee will purchase any one or more of the United States as an operating Territory for \$25,000 USD. In such, the Licensee will enter a profit sharing agreement and commission structure as defined in 3.1. Licensee will operate the purchased Territory(s) under US Law and the Company's corporate policies as described herein.

Section 3.2

Marketing

The Company will support and underwrite up to 10% of the marketing initiatives and campaigns within a given Territory. Licensee is only permitted to use, print, broadcast, illustrate, and/or print imagery, verbiage, and/or digital media designed and approved by Company. Any deviation, alteration, un-consented use, and/or defamation will result in the executables listed in section 2.1.

Section 3.3

Support

The Company will directly support and resolve any and all technical issues within the AAC domain via its Support Escalation Process as described in section 1.5

Section 3.4

Duration

The Company will extend a term of 2 years to the Licensee to operate

Section 3.5

Quota Stipulations and Requirements

Commencing ninety days (90) from the parties signature to this agreement, it will be mandatory for the licensee to enroll an additional two hundred (200) AAC member merchant comprised of any combination/category as described in section 2.1, failure to meet this quota will nullify the licensee rights of the second year extension and/or the first right of renewal as described in section 2.1a – 3.1 of this agreement.

Article (4) COMPENSATION

Section 4.1

Payment of commission(s)/Licensee

The Company shall pay the Licensee (“Commissions”) of all **Net Collected Revenues** (as defined below and within the terms of this agreement) based on the following matrix with respect to sales made by the Licensee in the Territory pursuant to (i) orders and (ii) other sales, during the Term subject to this agreement, however, and except as otherwise provided in Section 3.4 of (relating to Commissions payable after termination) of this Agreement.

	# of members	Membership value	Monthly	Quarterly	Yearly
Red (\$29.95)					
Licensee	1000 = (20/wk)	\$9.95	\$9,950.00	\$29,850	\$119,400
Green (\$19.95)					
Licensee	1000 = (20/wk)	\$5.95	\$5,950.00	\$17,850.00	\$71,400.00
Yellow (\$59.90)					
Licensee	500 = (10/wk)	\$19.95	\$9,975.00	\$29,925.00	\$119,700.00
		TOTAL	\$25,875.00	\$77,625.00	\$310,500.00

Section 4.1a

Payment of Commission(s)/Affiliate agreement (delete?)

The Company shall pay the Affiliate commissions (“Commissions”) and/or (a flat rate fee) of all **Net Collected Revenues** (as defined below and within the terms of this agreement) based on the following matrix with respect to sales made by the Affiliate in the Territory pursuant to (i) orders and (ii) other sales, during the Term subject to this agreement, except as otherwise provided and relating to Commissions payable after termination of this Agreement.

The following consist of an example of the payment schedule for AAC affiliates which are chosen by the licensee and subject to the terms and conditions of this agreement. Any deviations from the following this expressed or implied shall be considered within the whole of this agreement:

African American Businesses (Red Category) – annual membership \$359.40 (monthly \$29.95)

In consideration with the whole of this agreement, the Company agrees to pay the Affiliate a onetime flat payment in the amount of \$4.95 affixed to this membership category [RED], for each member assigned and agreed to by both parties, as being a member recruited into the [AAC] by affiliate, and a renewal payment of minus 20% each year thereafter throughout the next following four [4] years following the initial year, of said members membership enrollment, as long as said member pays such membership fee, and shall receive the amount of the fifth [5] year payment for the remainder of payment received by the company, for the life of the membership fee being paid to the company by the member. ☐☐The following payment schedule shall apply, effective upon the signing of this agreement by the parties:

- * Year one \$4.95
- * Year two \$3.96
- * Year three \$3.16
- * Year four \$2.53
- * Year five \$2.02 – payable for the duration of membership fees, and in accordance with this agreement.

African American Professionals (Green Category) – annual membership \$239.40 (monthly \$19.95)

In consideration with the whole of this agreement, the Company agrees to pay the Affiliate a onetime flat payment in the amount of \$4.95 affixed to this membership category [GREEN], for each member assigned and agreed to by both parties, as being a member recruited into the [AAC] by affiliate, and a renewal payment of minus 20% each year thereafter throughout the next following four [4] years following the initial year, of said members membership enrollment, as long as said member pays such membership fee, and shall receive the amount of the fifth [5] year payment for the remainder of payment received by the company, for the life of the membership fee being paid to the company by the member. ☐☐The following payment schedule shall apply, effective upon the signing of this agreement by the parties:

- * Year one \$3.96
- * Year two \$3.16
- * Year three \$2.53
- * Year four \$2.02
- * Year five \$1.61 - payable for the duration of membership fees, and in accordance with this agreement)

Non African American Businesses (Yellow Category) –annual membership \$718.80 (monthly \$59.90)

In consideration with the whole of this agreement, the Company agrees to pay the Affiliate a onetime flat payment in the amount of \$19.95 affixed to this membership category [Yellow], for each member assigned and agreed to as being a member recruited into the [AAC] by affiliate, and a renewal payment of minus 20% each year thereafter throughout the next following four [4] years following the initial year, of said members membership enrollment, as long as said member pays such membership fee, and shall receive the amount of the fifth [5] year payment for the remainder of payment received by the company, for the life of the membership fee being paid to the company by the member. The following payment schedule shall apply, effective upon the signing of this agreement by the parties:

- * Year one \$19.95
- * Year two \$15.96
- * Year three \$12.76
- * Year four \$10.21
- * Year five \$8.17 – payable for the duration of membership fees, and in accordance with this agreement.

Section 4.2**Allocation/Disbursement of Commission Funds.**

The Company will open a mutual Escrow Account. No withdrawals outside of paid commissions to Licensee will be authorized. The Escrow account can be audited an unlimited number of times at the expense of the Licensee. Online access to such accounts will be granted to 2 Licensee agents for review/audit purposes. Fees, charges, and bank initiated service charges will paid by the Company.

Section 4.3**Net Collected Revenues**

Shall mean the net revenue collected by the Company from the sale of the Services to a customer in the Territory after also deducting any allowances, rebates and discounts. In the event the fees payable by any customer are subsequently adjusted due to allowances, discounts or refunds which are offered to a customer after an initial sale of Services, the Commissions payable to the Licensee shall be adjusted accordingly, and any amount owed by the Licensee to the Company as a result of any such adjustment shall be repaid by the Licensee to the Company. Commissions payable to the Licensee hereunder shall be paid on a quarterly basis, on the first day of each month of each quarter based on a January Fiscal cycle. The Licensee and the Licensees hereby acknowledge and agree that all Commissions due hereunder shall be paid by the Company directly to the Licensee in the name of the Licensee.

Section 4.4**Modification of Commissions.**

The Company may from time to time modify the Commission amounts set forth in Article 3, Section 3.1 of this Agreement, provided that any modification of the Commission amounts will not apply to orders procured by the Licensee and delivered to the Company prior to such modification.

Section 4.5**Order Procedures.**

New customer orders are not binding until accepted by the Company. The Company may, in its sole discretion, reject any order solicited or taken by the Licensee and may discontinue offering or selling any Service without liability to Licensee.

Section 4.6**Termination of Commissions.**

The Company and the Licensee hereby agree that the Company(s) obligation to pay Commissions to the Licensee shall terminate 12 months from the termination of this Agreement, except that Company shall continue to be obligated to pay to the Licensee the Commissions which relate to an event which occurred prior to such termination (*e.g.* the retention of a new customer), and the Company shall pay those Commissions to the Licensee when specified by this Agreement. Notwithstanding the foregoing obligation to pay certain Commissions after the date this Agreement is terminated, the Licensee agrees that he shall not be entitled to any Commissions which are attributable to the sale of Services, including the renewal of an existing customer(s) membership to the Website, which occur after the termination of this Agreement.

Article 5. RELATIONSHIP BETWEEN THE PARTIES.

Section 5.1

Licensee.

The Licensee is under the terms of this Agreement. The Licensee is not an agent, or employee of the Company and shall have no authority to bind or commit the Company or any of its affiliates with respect to any matter, nor shall the Licensee, under any circumstances, represent to any third party that the Licensee has such authority. The Licensee shall not be entitled to any of the benefits provided by the Company to its employees. Nothing in this Agreement shall be construed to hold the Company responsible for any worker(s) compensation, FICA, withholding tax, unemployment compensation, or any other similar payment or benefit which the Company may be obligated to pay to or provide for or on behalf of any employee.

Section 5.2

Ownership of Customers and Other Property.

Customers who contract for Services with the Company through the Licensee(s) efforts shall be the sole and exclusive property of the Company. The Licensee recognizes and agrees that all information, documents and records of the Company (however evidenced or manifested) and all other property of the Company which is obtained, received or created by the Licensee is and shall be the sole and exclusive property of the Company, shall be held by the Licensee subject to the custody and control of the Company, and shall be delivered and surrendered by the Licensee to the Company immediately on demand and in no event later than upon termination of this Agreement.

Section 5.3

Ownership of the Services.

The Company and the Licensee hereby agree that the Company holds all title and rights to the Services and that no title or rights shall pass to the Licensee or any customer hereunder or otherwise.

Section 5.4

Transactions with Customers.

The Company shall have the sole and exclusive right to deal directly with customers in all matters relating to the sale and providing of the Services, including but not limited to, the execution of any service or other agreements, the maintenance of the Services, and the additional marketing and billing of the Services. Company shall have the sole and exclusive right to cancel any member ant anytime for any reason deemed a breach of Company policy.

Section 5.5

Authorized Marks.

The Licensee may not use, assign or display any of the trademarks, trade names or logos (the "Authorized Marks") in which the Company has rights for any purpose without the prior written approval of the Company. The Licensee acknowledges that the Authorized Marks are and shall at all times remain the sole and exclusive property of the Company. All printed/electronic media must be approved by the Company prior to its public distribution.

Article 6. PRICING AND TERMS OF PRODUCT OFFERING.

Section 6.1

Pricing and Terms.

The Company retains the sole and absolute right to prescribe the prices and terms under which it will offer the Services. This includes, but is not limited to, the right to change prices, restrict offerings, or entirely discontinue the offering of specific Services, with or without prior notice to or the consent of the Licensee and without incurring any liability to the Licensee. Any such change, restriction, amendment or discontinuance shall be at the Company(s) sole discretion, and will become effective on the date specified by the Company. Such changes will amend any agreed upon commission structures and will not go below

Section 6.2

Price Adjustments.

The Licensee shall not, in any communication with customers or prospects, offer prices for the Services that deviate from the Company(s) published prices, nor shall the Licensee offer rebates, waivers, or any other price adjustments, except with the express advanced written authorization of the Company.

Article 7. CONFIDENTIALITY.

The Licensee acknowledges that the Company may disclose certain confidential and proprietary information to the Licensee in connection with the Services provided hereunder, including, but not limited to, specifications, pricing, methods, processes, customer lists and customer information including customers procured by the Licensee (**Confidential Information**). The Licensee agrees not to use or disclose any of the Confidential Information for the Licensee(s)own benefit or the benefit of any other person or entity or to provide access to the Confidential Information to any third party during the Term or at any time thereafter.

Article 8. PROHIBITED CUSTOMER AND EMPLOYEE CONTACTS.

Section 8.1

Nonsolicitation of Existing Customers.

During the Term of this Agreement (and any extension thereof) and for a period of two (2) years thereafter, the Licensee shall not, whether on the Licensee(s) own account or for the account of any third party, directly or indirectly, contact, solicit, participate in any meeting or discussion with or provide any information to any than existing customer of the Company ("**Existing Customer**") for the purpose of soliciting such Existing Customer to obtain any services or products which are competitive with any services or products offered by the Company from any other entity or inducing such Existing Customer to terminate its business relationship with the Company.

Section 8.2

Nonsolicitation of Employees.

During the Term of this Agreement (and any extension thereof) and for a period of two (2) years thereafter, the Licensee will not, directly or indirectly, for its own account or the account of a third party, contact or solicit (or in any manner participate in any contact, solicitation, discussions or meetings with), and then existing employee of the Company for the purpose of encouraging or inducing such employee to terminate employment with the Company.

Section 8.3

Notice of Other Employer.

After the termination of this Agreement, the Licensee agrees to notify the Licensee(s) new employer about his obligations under this Agreement and to notify the Company of the identity of the new employer and the services the Licensee will be performing for the new employer.

Section 8.4

Nondisparagement of the Company.

The Licensee promises and agrees that it will not at any time, whether during the Term of this Agreement or at any time thereafter, make false, disparaging or uncomplimentary remarks about the Company or its employees, owners, clients, or any of its products or services, including the Services.

Section 8.5

Remedies for Breach.

The Licensee acknowledges that, in the event the Licensee breaches any of the provisions of Article 7, the Company may suffer irreparable harm which is difficult to measure in monetary terms. In the event that the Licensee breaches the provisions of Article 7, in addition to terminating this Agreement, the Company shall also be entitled to seek any other legal or equitable relief without the need to post bond, and such relief shall be in addition to, and not in lieu of, any monetary damages or such other relief a court of law or arbitrator may award.

Article 9. INDEMNIFICATION.

Section 9.1

Indemnification by Licensee.

The Licensee shall indemnify and hold harmless the Company and its officers, directors, agents and employees, from and against any and all claims, demands, causes of action, losses, damages, costs and expenses, including attorneys fees (collectively, **(Claims.)**) arising out of or in any manner relating to: (a) the Licensee(s) breach of any of the terms of this Agreement; (b) the Licensee(s) misrepresentation regarding the terms and provisions of the Services to customers, including any action of the Licensee in which the Licensee falsely represents that the Licensee has authority to bind the Company; (c) the Licensee(s) activities relating to the marketing of the Company or the Services; (d) any claim for withholding or other taxes that might arise or be imposed due to this Agreement or the performance hereof; (e) any acts or omissions by the Licensee(s) sub-agents which, if committed by the Licensee, would constitute a breach of this Agreement; and (f) any other act or omission of the Licensee.

Section 9.2

Indemnification by Company.

The Company shall indemnify and hold harmless the Licensee and its officers, directors, agents and employees, from and against any and all claims, demands, causes of action, losses, damages, costs and expenses, including attorneys fees (collectively, **(Claims.)**) arising out of or in any manner relating to: acts of God, objective occurrences, and/or unaffiliated parties that affect Company.

Section 9.3

Technical Indemnification by Company.

The Company shall indemnify and hold harmless the Licensee and its officers, directors, agents and employees, from and against any and all claims, demands, causes of action, losses, damages, costs and expenses, including attorneys fees (collectively, **(Claims.)**) arising out of or in any manner relating to: any technical abnormality, service interruption, internet outages, server failures and all technically related occurrences.

Section 9.4

Payment Gateway Indemnification by Company.

The Licensee shall indemnify and hold harmless the Company against PayPal as our mutual payment processor. The Company is not responsible for the handling, erroneous execution, and/or any events executed after transactions are processed via PayPal. If such events occur the Company will act in the best interest of the Consumer to resolve those issues within governing power.

Article 10. LIMITATION OF LIABILITY.

Section 10.1 Limits on Damages.

The Company(s) sole and exclusive liability to the Licensee hereunder shall be for the payment of Commissions due in accordance with Article 3 hereof. Neither the Company nor its affiliates, subsidiaries, employees or suppliers shall be liable to the Licensee for any special, indirect, incidental or consequential damages (including lost profits) arising from or relating to any alleged breach of this Agreement by the Company. The Company(s) liability for all claims of any kind arising out of or related to this Agreement, whether based on contract, tort (including, without limitation, strict liability and negligence), warranty or on other legal or equitable principles, shall be limited to strict money damages and shall not exceed the amount of Commissions determined by a court of competent jurisdiction to be due pursuant to Article 3 hereof and in any event shall be subject to the other terms of this Agreement.

Article 11. MISCELLANEOUS.

Section 11.1

Assignment.

This Agreement shall not be assigned by the Licensee without the prior written consent of the Company.

Section 11.2

Successors and Assigns.

All of the terms and provision of this Agreement shall be binding upon, shall ensure to the benefit of, and be enforceable by the successors, heirs, legal representatives and assigns of the parties to this Agreement.

Section 11.3

Entire Agreement.

This Agreement contains all of the terms of the agreement between the parties with respect to this subject matter and may be amended only by a writing signed by all of the parties of this Agreement.

Section 11.4

Severability.

The unenforceability of any provision of this Agreement shall not affect the enforceability of the remaining provisions of this Agreement.

Section 11.5

Governing Law.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Indiana. The parties agree that the state courts of Indiana shall have sole and exclusive jurisdiction, and Marion County shall be the proper venue of any claim or controversy regarding this Agreement or its subject matter, including without limitation, claims for breach of contract, breach of warranty, statutory violation, negligence or other tort. The parties irrevocably waive any right they may have to attack such jurisdiction or seek the removal or transfer of any litigation from the state courts of Marion County, Indiana to the federal courts located in Indiana or elsewhere.

Section 11.6

Survival of Provisions.

The following provisions shall survive the termination of this Agreement: Section 4.2, Section 4.3, Article 6, Article 7, Article 8, Article 9, and Article 10. IN WITNESS WHEREOF, the Parties have executed this Licensee Agreement as of the day and year first written above.



Signature Page

COMPANY:

THE AFRICAN AMERICAN CONNECTION, LLC

[Name],

[Title],

[Name],

[Title],

LICENSEE:

LICENSEE / DIVERSITY ONE

[Name],

[Title],

[Name],

[Title],

