

## Partnership Agreement

This is a Partnership Agreement (the "Agreement") made on the 1<sup>st</sup> day of August, 2010. The Partners in this agreement are as follows:

Tony Kaleb  
John Cairns

The Partners to this Agreement agree to the following:

### **Name:**

This Partnership will be known as **NEWCO (the "Partnership") (until we get the rights to Lumi Brite SA.**

### **The Partnership:**

1. The Partners wish to become legal partners in business.
2. The terms and condition of their Partnership will be outlined in this Agreement.
3. If the Agreement is executed, the Partnership will be in effect on the 31<sup>st</sup> day of August, 2010.
4. The Partnership will only be terminated as outlined in this Agreement.
5. The Partnership's primary place of business will be the City of George, South Africa.
6. The Partnership will be governed under the laws of the state of Michigan.
7. The Partnership's primary purpose is the marketing and sales of Lumi brite products in Southern Africa.

### **Contributions:**

The Partners will make an initial contribution to the Partnership as follows:

Contributions will be submitted no later than \_\_\_\_\_, All capital contributions are final unless all partners give written consent of withdrawal. All contributions will be deposited into a joint capital account.

### **Interest and Authority:**

The Partners' ownership interest in the Partnership will be as follows:

In equal amounts or 50% each.

The Partners' authority will be defined by the following unless otherwise stated in this agreement:

Tony Kaleb to be President and in charge of the daily operations of the company.

The Profits will be accounted by Tony Kaleb and distributed twice a year. The distribution dates will be the last day of June and the last day of December of each year according to the above percentages.

### **Profits:**

In the interest of both Partners and the Company it is agreed that 50% of net profit of each month will be deposited into a company account and used for the distribution of funds as stated above.

### **Cost:**

The partnership will share cost according to the following percentages: \_\_\_\_?????\_\_\_\_\_

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**Salary:**

All Partners must give their unanimous consent if a permanent salary is to be established and their unanimous consent for the amount of salary to be given to each Partner.

In the interest of both Partners and the Company it is agreed that 25% of the net profit per month be used towards the salaries of both partners. This is to be distributed 70% to Tony Kaleb and 30% to John Cairns.

It is an understanding that this is a starting point only and may change. The partners will review this every six months. If for any reason an agreement can not be reached between the Partners it is agreed that this will default too a 50/50 salary or equal amounts.

**Accounting:**

- All accounts related to the Partnership including contribution and distribution accounts will be audited.
- Partners will keep accurate and complete books for all accounts related to the Partnership. Any Partner, whether majority or minority, will be allowed to review all books of account at any time they request.
- Accounting records will be kept on a computer for easy viewing of the partners.
- The fiscal year will be complete on December 31<sup>st</sup> of each year. All Partners will present their position on the state of the Partnership within two weeks of the completion of each fiscal year.
- The following partners will be able to sign check from any joint Partner account: Tony Kaleb and/or John Cairns.

**New Partners:**

The Partnership will amend this agreement to include new partners upon the written and unanimous vote of all Partners.

**Withdrawal or Death:**

The Partners hereby reserve the right to withdraw from the Partnership at any time. Should a Partner withdraw from the Partnership because of choice or death, the remaining Partners will have the option to buy out the remaining shares of the Partnership. Should the Partners agree to buy out the shares, the shares will be bought in equal amounts by all Partners. The Partners agree to hire an outside firm to assess the value of the remaining shares. The Partners will have thirty (30) days to decide if they want to buy the remaining shares together and disperse them equally. If all Partners do not agree to buy the shares, individual Partners will then have the right to buy the shares individually. If more than one Partner requests to buy the remaining shares, the shares will be split equally among those Partners wishing to purchase the shares. Should all Partners agree by unanimous vote, the Partnership may choose to allow a non-Partner to buy the shares thereby replacing the previous Partner.

If no individual Partner(s) finalize a purchase agreement by thirty (30) days, the Partnership will be dissolved.

The name of the Partnership may be amended upon the written and unanimous vote of all Partners if a Partner is successfully bought out.

**Dissolution:**

Should the Partnership be dissolved by majority vote, the Partnership will be liquidated, and the debts will be paid. All remaining funds after debts have been paid will be distributed based on the percentage of ownership interest outlined in this Agreement.

**Amendments:**

- Amendments may be made hereto upon the unanimous and written consent of all Partners.
- Amendments must expressly written and have the original signatures of all Partners.

**Settling Disputes:**

All Partners agree to enter into mediation before filing suit against any other Partner or the Partnership for any dispute arising from this agreement or Partnership. Partners agree to attend one session of mediation before filing suit. If any Partner does not attend mediation, or the dispute is not settled after one session of mediation, the Partners are free to file suit. Any law suits will be under the jurisdiction of the state of Michigan.

All Partners signed hereto agree to the above stated Agreement.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2010

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