**PARTNERSHIP AGREEMENT**

**THIS AGREEMENT** is made on [DATE] between:

1**. EUGENE OBANYI MASAKA** of ID No. 33969902 and P.O. Box 015-00521 ("Developer")

**2. MARION WAMBUI NJENGA** of ID No. 26475627 and P.O. Box 14438 -- 00100, the Proprietor of Njenga & Co. Associates. ("Partner")

collectively referred to as "the Parties."

**DEFINITIONS**

In this Agreement, unless the context otherwise requires:

a) "Application" means the legal document generation application developed by the Developer, including all its features, functionalities, source code, and documentation.

b) "Major Decisions" means decisions regarding:

(i) capital expenditure exceeding KES 100,000;

(ii) taking of loans;

(iii) changes to core functionality;

(iv) pricing strategy changes;

(v) entering into significant contracts;

(vi) changes to revenue distribution model;

(vii) strategic partnerships or collaborations.

c) "Operating Expenses" means reasonable costs directly related to running the Application, including but not limited to: hosting, maintenance, customer support, marketing, and administrative expenses.

d) "Direct Costs" means costs directly attributable to providing the Application's services, including payment processing fees and third-party API costs.

e) "Competing Application" means any software application or service that provides automated legal document generation services or similar legal technology solutions within the specified territory.

f) "Permanent Incapacity" means a medical condition certified by two independent medical practitioners that renders a Party unable to perform their duties under this Agreement for a continuous period of six (6) months.

**1. INTELLECTUAL PROPERTY OWNERSHIP**

1.1. The Parties agree to the following ownership split of all intellectual property rights in the Application:

- Developer: 50%

- Partner: 50%

1.2. Buyout Provisions:

a) Either Party shall have the right to buy out the other Party's share at fair market value.

b) Fair market value shall be determined through the following process:

(i) Each Party appoints one independent valuation expert

(ii) The two experts jointly appoint a third expert

(iii) The final valuation shall be the average of all three valuations

c) The valuation process shall be completed within 60 days of triggering the buyout provision

d) The buying Party shall have 90 days from valuation completion to secure funding and complete the purchase

1.3. Right of First Refusal:

a) The non-selling Party shall have 30 days to match any third-party offer

b) The offer must be in writing and include all material terms

c) If the right is not exercised within 30 days, the selling Party may proceed with the third-party sale

1.4. All future modifications, improvements, and derivative works of the Application shall be owned in the same proportion as stated in clause 1.1.

1.5. The Partner shall be responsible for all intellectual property protection efforts

**2. REVENUE SHARING**

2.1. "Net Revenue" means all income generated from the Application after deduction of Direct Costs, Taxes, and Operating Expenses.

2.2. Revenue Distribution:

a) 33.33% shall be retained in the business for development and operations

b) The remaining 66.67% shall be distributed equally between the Parties (50% each)

2.3. Financial Management:

a) Both Parties shall have real-time access to financial records

b) Monthly financial reports shall be provided by the 10th of each month

c) Quarterly business performance reviews shall be conducted

2.4. Banking:

a) Both Partner and Developer shall be mandatory joint signatories

b) Two separate accounts shall be maintained:

(i) Operating account for day-to-day expenses

(ii) Revenue distribution account for profit sharing

c) Automated reports of all transactions shall be sent to both Parties

2.5. Revenue Distribution Timeline:

a) Distributions shall be made monthly by the 15th

b) Each distribution shall require written confirmation from both Parties

c) Distribution calculations shall be provided 5 days before payment

2.6. Audit Rights:

a) Each Party may conduct one free audit annually

b) Additional audits at Party's own expense

c) If discrepancies exceed 5%, audit costs borne by business

d) Audit must be conducted by certified auditor

e) Audit reports shall be shared with both Parties within 30 days

**3. OPERATIONAL CONTROL**

3.1. Decision Making:

a) Technical Decisions - Developer

b) Legal Decisions – Partner

c) Business Decisions – Both Parties

d) Major Decisions - Mutual written consent

3.2. Major Decisions Timeline:

a) Proposals must be submitted in writing

b) 14 days for initial review and discussion

c) 7 days for final decision

d) If no decision reached, matter goes to mediation

3.3. Management Meetings:

a) Monthly operational review meetings

b) Quarterly strategic planning meetings

c) Annual business planning session

d) Emergency meetings within 48 hours' notice if required

3.4. Deadlock Resolution:

a) Mediation within 14 days of deadlock

b) Mediator selected from pre-approved panel of three

c) Mediation costs shared equally

d) Mediation to be completed within 30 days

**4. NON-COMPETE AND CONFIDENTIALITY**

4.1. Confidentiality:

a) All technical, and business information is strictly confidential

b) Annual review and update of confidentiality measures

c) Signed NDAs required for all employees and contractors

4.2. Non-Compete:

a) During agreement and 2 years after termination

b) Territory limited to East Africa

c) Restricted activities clearly defined:

(i) Developing similar applications

(ii) Providing similar services

(iii) Soliciting customers or employees

d) Exceptions for:

(i) Passive investments under 5%

(ii) General legal practice

(iii) Non-competing technology development

**5. DEATH OR PERMANENT INCAPACITY**

5.1. Succession:

a) Rights transfer to designated beneficiary

b) Beneficiary must be named within 30 days of this agreement

c) Changes to beneficiary require written notice

d) Beneficiary bound by agreement terms

5.2. Buyout Rights:

a) Surviving/capable Party has 90 days to exercise purchase option

b) Valuation process per clause 1.2

c) Payment terms:

(i) 20% upfront

(ii) Balance within 12 months

(iii) Market interest rate on outstanding balance

5.3. Business Continuity:

a) Emergency succession plan maintained

b) Key processes documented

c) Access credentials secured and accessible

d) Transition team identified

**6. TERMINATION**

6.1. Grounds for Termination:

a) Mutual written consent

b) Completed buyout

c) Material breach not cured within 60 days

d) Force majeure exceeding 6 months

6.2. Exit Process:

a) 90-day transition period

b) Joint appointment of transition manager

c) Asset division per ownership ratio

d) Customer and vendor communication plan

e) Data and IP transfer protocols

6.3. Post-Termination:

a) Revenue rights for existing installations continue

b) Ongoing support obligations

c) Confidentiality continues for 5 years

d) Non-compete per section 4.2

e) Mutual non-disparagement

**7. DISPUTE RESOLUTION**

7.1. Three-Step Process:

a) Direct negotiation (14 days)

b) Mediation (30 days)

c) Arbitration (if needed)

7.2. Arbitration:

a) Panel of three arbitrators

b) Conducted in Nairobi

c) Costs shared equally

d) Decision binding and final

**8**. **GOVERNING LAW**

a) Laws of Kenya

b) Exclusive jurisdiction of Kenyan courts

**IN WITNESS WHEREOF**, the Parties have executed this Agreement:

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**EUGENE OBANYI MASAKA MARION WAMBUI NJENGA**

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Witness Witness

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_