

PARTNER AGREEMENT

THIS PARTNER AGREEMENT (“Agreement”) is made and effective this ____ day of _____, 20__, by and between **LOCAL ADVERTISING SOLUTIONS, LLC.**, a Washington limited liability company, by Founding Member Kelly Case, whose principle place of business is 1698 Nickels Rd., Kettle Falls, WA, 99141 (“Initiating Company”) and _____, (Partner Company) of _____, (Location) by _____, (Authorized Person) signing below, for the amount of: \$ _____, (“Purchase Price”).

RECITALS

- A. Initiating Company is engaged in the business of media solutions, has and will continue to develop technology which Partner Company desires to use and participate in (the “Technology Enterprise”).
- B. Initiating Company desires to sell to Partner Company a license for certain knowledge, know how, and designs (“Rights of Use”), used in the Technology Enterprise and Partner Company desires to purchase the same, all on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements contained herein, and subject to the conditions hereinafter set forth, Initiating Company and Partner Company hereby agree as follows:

ARTICLE I

Defined Terms

For purposes of this Agreement, the following capitalized terms, along with those set forth above and in the body of the Agreement, shall have the meanings set forth below, unless the context clearly indicates otherwise.

- 1.1 “Ancillary Agreements” means any other contracts, deemed necessary by the Initiating Company, for the Partner Company to participate in the Technology Enterprise and exercise the Rights of Use.
- 1.2 “Closing Date” means 30 days after the date indicated above.
- 1.3 “Rights of Use” means a non-exclusive license for the knowledge, know how, and designs of Initiating Company to be purchased by Partner Company pursuant to this Agreement,

consisting of the (i) Equipment List needed to participate in the Technology Enterprise, (ii) Ancillary Agreements needed, and (iii) any other instructions necessary to link the parties digitally.

1.4 “Parties” means the Partner Company and Initiating Company.

1.5 “Technology Enterprise” means the working relationship between the Parties; to include current and future developments, rights licensed between the Parties, and the contractual relationship defined herein and by any and all Ancillary Agreements.

ARTICLE II Licensing Purchase

2.1 License of Knowledge, Know How, and Designs. On the Closing Date, Initiating Company shall license, convey for use of, assign limited rights to, transfer and deliver to Partner Company, and Partner Company shall purchase and acquire from Initiating Company, all rights, limited title and interest in and to the Rights of Use as owned by Initiating Company, which is necessary for operation of the Technology Enterprise.

2.2 Purchased Price and Method of Payment.

2.2.1 Purchase Price. At Closing, Partner Company shall pay to Initiating Company as an opportunity cost for the Rights of Use the sum set forth in the preamble at the top of this Agreement, page 1. (“Purchase Price”).

2.2.2 Additional Payments. Further payments may be required by Ancillary Agreements in order to continue the Rights of Use.

2.2.3 Legal Fund. Initiating Company may create a legal fund for the protection of the Rights of Use and benefit of the Technology Enterprise. Costs of said fund will be shared equitably among the Parties.

2.2.4 Method of Payment. Partner Company shall deliver the above payments to Initiating Company at the address listed in section 7.4(a) by cashier’s check or in any manner previously or currently accepted between the parties.

2.2.5 Tax Reporting of Allocations. Partner Company and Initiating Company shall report the sale and purchase of the Rights of Use for all federal, state, local and foreign tax purposes in a manner consistent with the allocation and value set forth in this Section 2.2.

2.3 Delivery of Rights. Partner Company shall take delivery of all Rights of Use following the Closing Date. The parties shall follow such mutually acceptable procedures as they shall deem necessary to ensure that, following completion of the review, Partner Company is able to assume operation in the Rights of Use after Closing.

ARTICLE III

Closing

3.1 Effectiveness. The Rights and Responsibilities of the purchase and sale contemplated by this Agreement shall take effect upon execution by a representative of both Parties (“Effective Date”).

3.2 Prorations. The operation of the Technology Enterprise and all income and expenses attributable thereto through the close of business on the Closing Date shall be for the account of Initiating Company. Thereafter, the operation of the Technology Enterprise as operated by Partner Company and all income and expenses attributable thereto shall be for the account of Partner Company. All prorations due between the Parties shall be made and paid in cash within ten (10) days of the Closing Date.

3.3 Costs and Expenses. Except as otherwise provided in Section 3.2, each party shall separately bear the costs and expenses incurred by it in connection with this Agreement and the transactions contemplated hereby; provided, however, that if any party shall commence legal action to specifically enforce or otherwise seek redress under, or for breach of this Agreement, the prevailing party in such action shall be entitled to recover its costs and reasonable attorneys’ fees incurred to prosecute or defend the action, including costs and fees incurred in any appellate proceeding.

3.4 Performance by Initiating Company at Closing. At the Closing Date, Initiating Company shall deliver to Partner Company all instruments and documents that Partner Company, in the reasonable exercise of their discretion, shall deem to be necessary to fulfill any obligation required to be fulfilled by Initiating Company on the Closing Date.

3.5 Performance by Partner Company at Closing. At the Closing Date, Partner Company shall deliver to Initiating Company all other instruments and documents that Initiating Company, in the reasonable exercise of their discretion, shall deem to be necessary to fulfill any obligation required to be fulfilled by Partner Company on the Closing Date.

3.7 Approval of Documents. Unless otherwise provided herein, all instruments and documents delivered pursuant to this Agreement shall be dated as of the Closing Date and shall be satisfactory to the parties and to their respective counsel as to form and content.

3.8 Execution of Additional Documents. All documents to which Partner Company is entitled hereunder shall be delivered as soon as may reasonably be possible after the Closing Date, it being the intention of the parties that the delivery of all such documents shall be completed, to the extent reasonably possible with the exercise of due diligence, within thirty (30) days after the Closing Date. Following the Effective Date, Initiating Company will, on the request of Partner Company, execute and deliver to Partner Company further instruments in writing as may be required to complete or evidence the transaction in this Agreement, and Partner Company will, on request, execute and deliver like instruments to Initiating Company.

ARTICLE IV
Representations, Warranties and Covenants of Initiating Company

Initiating Company represents and warrants to Partner Company that the following statements are true and correct on the date hereof, and will be true and correct on the Closing Date as though made on such date:

4.1 Organization, Corporate Power and Authority. Initiating Company includes a corporation duly organized, validly existing and in good standing under the laws of Washington, and has the requisite corporate power and authority to execute, deliver and perform this Agreement and to consummate the transactions, contemplated hereby.

4.2 Authorization, Binding Effect and No Conflicts. The execution, delivery, and performance by Initiating Company of this Agreement and the consummation by Initiating Company of the transactions contemplated thereby have been duly authorized by all necessary corporate action on the part of Initiating Company. This Agreement has been duly and validly executed and delivered by Initiating Company and constitutes the valid and binding obligation of Initiating Company, enforceable in accordance with its terms.

4.3 Consents and Approvals. Neither the execution of this Agreement nor the consummation of the sale of the Rights of Use requires the approval or consent of any governmental authority having jurisdiction over the business of Initiating Company nor of any party to any agreement with Initiating Company.

4.4 Litigation. There are no actions, suits, claims, proceedings or investigations pending or, to the knowledge of Initiating Company, threatened against Initiating Company that would affect Initiating Company's title or interest in any of the Rights of Use. Initiating Company has received no notice, and has no knowledge, that it is in default of any order, writ, injunction or decree of any court or federal, state, municipal or governmental department, commission, board, bureau, agency or instrumentality with respect to the ownership and operation of the Rights of Use. To the best knowledge of Initiating Company, Initiating Company has complied in all material respects with all laws, regulations, franchises, licenses, and order applicable to the Rights of Use.

4.5 Disclosure. Neither this Agreement nor any of the Ancillary Agreements annexed hereto contain any untrue statement of any material fact, or omits to state any material fact required to be stated in order to make the statements contained herein or therein not misleading. To the best knowledge of Initiating Company, there is no fact which has not been disclosed in writing to Partner Company prior to the date hereof that materially adversely affects the prospects or the financial or other condition of the Business or the Rights of Use.

4.6 Compliance with Laws. To Initiating Company's knowledge, Initiating Company is in compliance with all laws, rules, regulations and orders applicable to the Business (including, without limitation, those relating to environmental protection, occupational safety and health and equal opportunity employment practices), except where the failure to comply therewith does not have a material adverse effect on the financial condition of the Business.

4.7 Taxes. Initiating Company warrants that all related and required tax returns, or any later filed returns covering any period prior to Closing, have been filed, or will be filed, and all taxes shown on such return have been, or will be, paid. There is no audit of Initiating Company's taxes pending but not complete, or threatened, and that any additional taxes found to be due in any previous completed audit have been paid. Initiating Company has no knowledge of any questionable tax positions or unpaid tax liabilities, and that there are not outstanding warrants or tax liens against the Initiating Company, Business, or Rights of Use.

ARTICLE V

Representations, Warranties and Covenants of Partner Company

Partner Company represents and warrants to Initiating Company that the following statements are true and correct on the date hereof and will be true and correct on the Closing Date as though made on such date:

5.1 Organization, Corporate Power and Authority. Partner Company has the requisite power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

5.2 Authorization, Binding Effect and No Conflicts. The execution, delivery, and performance by Partner Company of this Agreement and the consummation by Partner Company of the transactions contemplated thereby have been duly authorized by all necessary corporate action on the part of Partner Company. This Agreement has been duly and validly executed and delivered by Partner Company and constitutes the valid and binding obligation of Partner Company, enforceable in accordance with its terms.

5.3 Consents and Approvals. Neither the execution of this Agreement nor the consummation of the purchase of the Rights of Use requires the approval or consent of any governmental authority having jurisdiction over the business of Partner Company nor of any party to any agreement with Partner Company.

ARTICLE VI

Indemnification

6.1 Indemnification of Initiating Company.

(a) Partner Company hereby agrees to indemnify and hold Initiating Company and its successors and assigns harmless from and against:

(1) Any and all claims, liabilities and obligations of every kind and description, contingent or otherwise, arising out of or related to the operation of the Business or to ownership of the Rights of Use by Partner Company subsequent to the Closing.

(2) Any and all damage or deficiency resulting from any misrepresentations, breach of warranty, nonfulfillment of any agreement or obligation assumed or required to

be assumed by Partner Company under this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished to Initiating Company pursuant to this Agreement, or in connection with any of the transactions contemplated hereby.

(3) Any and all actions, suits, proceedings, damages, assessments, judgments, costs and expenses incident to any of the foregoing provisions, including reasonable attorneys' fees incurred by Initiating Company as the result of Partner Company's failure or refusal to defend or compromise any claim.

(b) If any claim or liability shall be asserted against Initiating Company which would give rise to a claim by Initiating Company against Partner Company for indemnification under the provisions of this section, Initiating Company shall promptly notify Partner Company of the same and Partner Company shall, at its own expense, compromise or defend any such claim; provided that Initiating Company may, at its own cost and expense, join and cooperate with Partner Company in the defense or compromise of such claim.

ARTICLE VII Miscellaneous

7.1 No Assignment, Successors, Assigns, Etc. The terms and conditions of this Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto, their respective heirs, personal representatives, successors and assigns; provided, however, that this Agreement shall not be assigned or conveyed by any party to any person or entity without the prior written consent of the other party hereto. In the event of an assignment, the assigning party shall not be relieved of any of its obligations and undertakings contracted for herein.

7.2 Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

7.3 Survival of Representations and Warranties. All of Initiating Company's and Partner Company's representations and warranties contained herein shall survive the Closing.

7.4 Notices. Any notices or other communications shall be in writing and shall be considered to have been duly given on the earlier of (1) the date of actual receipt or (2) three days after deposit in the first-class certified U.S. mail, postage prepaid, return receipt requested:

(a) If to Initiating Company, to:

Local Advertising Solutions, LLC.
1698 Nickels Rd.
Kettle Falls, WA 99141

(b) If to Partner Company, at address indicated in Signatures at bottom of Agreement.

7.5 Entire Agreement. This Agreement contains the entire understanding of the parties hereto relating to the subject matter herein.

7.6 Waiver. Any default, misrepresentation, or breach of any covenant or warranty by a party in connection with this Agreement may be waived in writing by the other party. No such waiver shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of any covenant or warranty, or affect any rights arising by virtue of any prior or subsequent default, misrepresentation or breach of any covenant or warranty.

7.7 Governing Law and Venue. This Agreement shall be construed in accordance with, and governed by, the laws of the state of Washington applicable to agreements made and to be performed wholly within this jurisdiction. Venue shall be in Stevens County, Washington.

7.8 Interpretation. This Agreement is the product of negotiation and amendment, and shall not be interpreted particularly for or against either party because that party's representative drafted this Agreement or a portion of it.

7.9 Parties Bound. This Agreement shall be binding on and inure to the benefit of the parties to this Agreement and their respective heirs, executors, administrators, legal representatives, successors and assigns, as permitted by this Agreement.

7.10 Legal Construction. This Agreement shall be construed as to effectuate the intended purpose of the Agreement. In the event any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, this Agreement shall be modified to otherwise effectuate the sale under the original intentions of the Parties. This may include striking the invalid, illegal or unenforceable provision as if they had never been contained in this Agreement or modifying the invalid, illegal or unenforceable provisions to make them compliant without modifying the original purpose of the Parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed by their duly authorized officers on the day and year first above written.

INITIATING COMPANY:

PARTNER COMPANY:

Local Advertising Solutions, LLC

By: _____
Kelly J. Case, Member

Date: _____

Signed: _____

Name: _____

Date: _____

Service Address: _____
