

LEGAL MEMORANDUM

To:	Client Name
Date:	March 28, 2012
From:	Frank Rappa
Subject:	THE PRE-INCORPORATION CONTRACTS PACKAGE

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INSTRUCTIONS:

Each agreement, the PRIVATE FUNDING AGREEMENT and ASSIGNMENT AND TRANSFER OF THE STOCK CERTIFICATES AND NOVATION AGREEMENT, attached hereto, will be signed simultaneously by the Parties (and before a Notary or Witness) but on different dates. The first on the date to execute the Agreement to fund the COMPANY; after which COMPANY CORP will be formed; upon formation then the ASSIGNMENT AND TRANSFER OF THE STOCK CERTIFICATES AND NOVATION AGREEMENT will be signed to effectuate the transfers.

The purpose of having the two Agreements attached together (the ASSIGNMENT AND TRANSFER OF THE STOCK CERTIFICATES AND NOVATION AGREEMENT attached to the PRIVATE FUNDING AGREEMENT, the (“ASSIGNMENT”) as Exhibit A) is that when the PRIVATE FUNDING AGREEMENT is signed, under the terms of the Agreement in section 1.4. I have set out that the three transfers set out in sections 1.3. (a) (b) & (c) (34% Ownership, Seat on the Board, and Novation) will be carried out according to the terms of the ASSIGNMENT. What this accomplishes is that when it comes time to carry out the transfers the Investor has already negotiated and contractually bound himself to execute the transfers by the exact terms of ASSIGNMENT; so there should be no issues or misunderstanding, and in the case where the Investor wants he will not be able to vary or make changes from the parties’ mutual understanding established when the PRIVATE FUNDING AGREEMENT was signed. And, this is the reason the ASSIGNMENT has to be attached as an Exhibit to the PRIVATE FUNDING AGREEMENT. Thus, the ASSIGNMENT is not signed until Company Corp. is formed). Efficacy was the purpose I had in mind, plus the Investor should like to see the whole package set out from the get go, and give him assurance that the project has be planned and is just a matter of process.

Respectfully,

Frank Rappa
DATE

PRIVATE FUNDING AGREEMENT

This 'PRIVATE FUNDING AGREEMENT' (the "Agreement") is made by and entered into between the **[INVESTOR'S NAME]** (the "Investor") and **[PROMOTER NAME]**. (the "Promoter"), a corporation organized and existing under the laws of Panama, and is executed as a binding agreement as of the Effective Date (Investor and Promoter are sometimes referred to collectively as the "Parties" or individually as a "Party").

BACKGROUND AND PURPOSE

- A. The Promoter is seeking funding into its venture, and the Investor is willing to provide the investment;
- B. The Investor agrees to invest **[\$AMOUNT]** in **[BUSINESS NAME]** (the "Company"); and
- C. The Promoter agrees to incorporate the Company as a "Sociedad Anonima" in the country of **[COUNTRY]**, transfer a 34% ownership interest in the Company to the Investor, and grant the Investor a seat as a member of the Board of Directors of the Company.

NOW THEREFORE, in consideration of the mutual promises, the Parties agree as follows:

ARTICLE I

1. TERMS OF PRE-INCORPORATION FUNDING

- 1.1. The Investor agrees to provided funding to the Promoter in a single lump sum in the amount of **[AMOUNT DOLLARS]**, in US currency, (**[\$AMOUNT]**), by or on the **[DAYS]** day of **[MONTH]**, 2012 ("Date of Funding"). The funding shall be carried out by a wire transfer to following Bank Account: **[BANK NAME AND ACCOUNT INFORMATION....]**
- 1.2. The Promoter shall organize a corporation to be named '**[BUSINESS NAME CORP.]**' as a "Sociedad Anonima" under the laws of and in the country of **[COUNTRY]** within **[DAYS (##)]** after the Date of Funding ("Date of Formation").
- 1.3. Upon the Date of Formation:
 - (a) **[BUSINESS NAME CORP]** shall assign and transfer to the Investor ownership interest in THIRTY-FOUR PERCENT (34%) in the Company -- specifically, **[AMOUNT (#)]** Shares of **[CLASS]** stock with a par value of **[\$AMOUNT (\$#)]** per share shall be assigned and transferred to the Investor;
 - (b) **[BUSINESS NAME CORP]** shall grant to the Investor a seat as a member of the Board of Directors of the Company; and
 - (c) *Novation* - **[BUSINESS NAME CORP]** shall assume all the rights, liabilities, duties and obligations of the Promoter arising under the terms of this Agreement, and the Investor and the Promoter shall mutually release the other of the future obligations owed under this Agreement and their respective rights and obligations against each other shall be cancelled, with the effect that the Investor and **[BUSINESS NAME CORP]** enter into a new transaction between them having terms identical to those contained herein.
- 1.4. Such assignments and transfers described in sections 1.3. (a), (b) & (c) shall be completed in the manner described under the terms of the 'ASSIGNMENT AND TRANSFER OF STOCK CERTIFICATE AND NOVATION AGREEMENT' (attached hereto as Exhibit A).

2. PROMOTER REPRESENTATIONS, WARRANTIES, AND AGREEMENTS

The Promoter hereby represents and warrants to and agrees with the Investor, as follows:

- (a) The Promoter does not have any ownership interest in any competitor of the Company;
- (b) This investment shall be used solely for marketing, sales development and promotional purposes with the objective to takeover the largest possible market segment before competition develops;
- (c) The Promoter shall employ its best efforts to both implement its marketing plan and maximize the shareholders' value in the Company; and
- (d) The Promoter disclaims any guarantee of meeting any forward-looking predictions, earnings, performances, projections, or forecasts contained in the "Transparent Business Business Plan"; all financial projections are subject to change due to future events beyond the control of the Promoter -- with regard to any investment, risk is always present.

3. INVESTOR REPRESENTATIONS, WARRANTIES, AND AGREEMENTS

The Investor hereby represents and warrants to and agrees with the Promoter, as follows:

- (a) The Investor is authorized to make such funding, and financially and legally able to meet all obligations hereunder, and acknowledges that this investment will be long-term and is by its very nature speculative;
- (b) The Investor is aware that Shares are speculative investments which involve a substantial degree of risk of loss by the Investor of the Investor's entire investment in the Company and that the Investor understands and takes full cognizance of the risk factors related to funding the Company;
- (c) The Investor is aware that any projections or predictions that may have been made available to the Investor are based on estimates, assumptions and forecasts which may prove to be incorrect; and no assurance is given that actual results will correspond with the results contemplated by the various projections; and
- (d) The Investor has had adequate opportunity to obtain any information relevant to the decision to fund, has had adequate opportunity to consult with advisors of his choice, and has been advised to consult with the Investor's own attorney regarding legal matters concerning an investment in the Company and has done so to the extent the Investor considers necessary.

ARTICLE II

4. GENERAL PROVISIONS

- (a) *Written Notices* - All notices or other communications given or made hereunder shall be in writing and shall be delivered or mailed by registered or certified mail, return receipt requested, postage prepaid, to the Promoter and the Investor at the address set forth on the signature page hereof.
- (b) *No Waiver* - The waiver or failure of either party to exercise in any respect any right provided in this agreement shall not be deemed a waiver of any other right or remedy to which the party may be entitled.
- (c) *Governing Law* - This Agreement shall be construed and enforced according to the laws of the country of **[COUNTRY]** without reference to conflict of law principles, and any dispute under this Agreement must be brought in this venue and no other.
- (d) *Severability* - If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.
- (e) *Headings* - The headings in this Agreement are for convenience only, confirm no rights or obligations in either party, and do not alter any terms of this Agreement.
- (f) *Entire Agreement* - The terms and conditions set forth herein constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior or contemporaneous understandings, communications, representations, warranties or previous agreements (whether oral or written) with respect to the subject matter of this Agreement. There are no written or oral understandings directly or indirectly related to this Agreement that are not set forth herein. No change or amendment can be made to this Agreement other than in writing and signed and executed by both Parties.

----- SIGNATURE PAGE FOLLOWS -----

IN WITNESS WHEREOF, the Parties hereto, declare to have fully and carefully read, understood and consent to terms of the agreement, and hereby duly execute this 'PRIVATE FUNDING AGREEMENT' as of the ____ day of _____, 2012 ("**Effective Date**").

INVESTOR

Authorized Signature

Print Name and Title

Date

Address (first line)

Address (second line)

Address (third line)

PROMOTER

Authorized Signature

Print Name and Title

Date

Address (first line)

Address (second line)

Address (third line)

In the presence of:

NOTARY PUBLIC

Authorized Signature

Print Name and State and/or Country

Date

SEAL

EXHIBIT A

ASSIGNMENT AND TRANSFER OF STOCK CERTIFICATE AND NOVATION AGREEMENT

“ASSIGNMENT AND TRANSFER OF STOCK CERTIFICATE AND NOVATION AGREEMENT” BEGINS ON FOLLOWING PAGE.

ASSIGNMENT AND TRANSFER OF STOCK CERTIFICATE AND NOVATION AGREEMENT

This 'ASSIGNMENT AND TRANSFER OF STOCK CERTIFICATE AND NOVATION AGREEMENT' (the "Assignment") is made by and entered into between and among the **[INVESTOR'S NAME]** (the "Investor"), and **[BUSINESS NAME CORP]**, a "Sociedad Anonima" organized and existing under the laws of **[COUNTRY]**, and **[PROMOTER NAME]** (the "Promoter"), a corporation organized and existing under the laws of Panama, and is executed as a binding agreement as of the Effective Date (Investor, **[BUSINESS NAME CORP]**, and the Promoter are sometimes referred to collectively as the "Parties").

FOR VALUE RECEIVED, (all terms of the 'PRIVATE FUNDING AGREEMENT' executed on the Effective Date of the **[DAY]** day of **[MONTH]**, 2012, made by and entered into between the Investor and the Promoter, **[PROMOTER NAME]**, are hereof incorporated by reference) the Parties hereby agree, as follows:

1. ASSIGNMENT AND TRANSFER OF STOCK CERTIFICATE

[BUSINESS NAME CORP] hereby assigns and transfers to the Investor **[AMOUNT] ([##])** Shares of **[CLASS]** stock, with a par value of **[\$AMOUNT] ([##])** per share of the stock of **[BUSINESS NAME CORP]** -- ownership interest in THIRTY-FOUR PERCENT (34%) in **[BUSINESS NAME CORP]** standing in the name of the undersigned on the books of the Corporation and represented by Certificate **[NUMBER]**. Furthermore, **[BUSINESS NAME CORP]** hereby grants to the Investor a seat as a member of the Board of Directors of **[BUSINESS NAME CORP]**.

2. NOVATION

The Parties hereby agree, as follows:

- (a) The Promoter assigns and transfers to **[BUSINESS NAME CORP]**, and **[BUSINESS NAME CORP.]** hereby assumes, all the rights, liabilities, duties and obligations of the Promoter arising under the PRIVATE FUNDING AGREEMENT; and
- (b) The Investor and the Promoter mutually release the other of the future obligations owed under the PRIVATE FUNDING AGREEMENT and their respective rights, duties and obligations against each other are hereby cancelled, with the effect that the Investor and **[BUSINESS NAME CORP]**. enter into a new transaction between them having terms identical to those of the PRIVATE FUNDING AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto, declare to have fully and carefully read, understood and consent to terms of the agreement, and hereby duly execute this 'ASSIGNMENT AND TRANSFER OF STOCK CERTIFICATE AND NOVATION AGREEMENT' as of the ____ day of _____, 2012 ("Effective Date").

INVESTOR

Authorized Signature

Print Name and Title

Date

PROMOTER

Authorized Signature

Print Name and Title

Date

[BUSINESS NAME CORP]

Authorized Signature

Print Name and Title

Date

In the presence of:

Authorized Signature

Print Name and Title

Date