

FOUNDER COLLABORATION AGREEMENT

COMAR LAW

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This "Founder Collaboration Agreement" is intended as a seed document that can be used as a framework for a more complex business and legal relationship.

Key clauses (1) define the relationship of the founders; (2) provide the expectation that all work will belong to some entity in the future, to be determined; and (3) outline a basic communication and conflict-resolution clause that can help prevent disputes.

Terms can be modified on an as-needed basis; comments are provided where needed.

This sample agreement is for informational purposes only and does not constitute advertising, a solicitation, or legal advice. Review of or use of this sample agreement does not constitute formation of an attorney-client relationship. COMAR LAW disclaims all liability with regard to use of this sample agreement. Readers of this sample agreement should not rely upon this document without seeking legal advice from a licensed attorney in the reader's state.

Founder Collaboration Agreement

The undersigned (each a "**Founder**" and together the "**Founders**") are collaborating with the purpose of developing together a business concept related to [_____] and related technology (the "**Business Concept and Technology**") which, if developed, will be transferred to and launched by a company to be formed by the Founders (the "**Company**").

In connection with such collaboration, and in consideration for a mutually agreeable framework which shall serve as the foundation for the Founders to successfully develop the Business Concept and Technology, the undersigned hereby agree as follows:

1. TRANSFER OF OWNERSHIP TO COMPANY UPON FORMATION

Section 1.1 Each Founder shall grant and assign to the Company immediately upon its formation all of his or her right, title, and interest in and to the Business Concept and Technology (including all right, title and interest to intellectual property thereto), including all ideas (however formed or unformed) and labor and/or work product that results from any task or work performed by the Founder that relates to the Business Concept or Technology for the full term of such rights. Each Founder shall also perform any and all acts and execute all documents and instruments as may be required by the Company at its sole discretion to perfect title in the Business Concept and Technology, and any related intellectual property.

Section 1.2 Any future agreement that requires an ownership interest in the Business Concept and Technology and related intellectual property to be transferred to a third party before the formation of the Company must be agreed upon by each Founder. In the event of such an agreement, the obligations of this Founder Collaboration Agreement must be disclosed to that third party.

Section 1.3 For purposes of this Agreement, the Company shall be considered formed upon registration and recognition of a business entity by the Secretary of State of any state, including but not limited to registration and recognition of a limited liability company or any form of corporation.

2. OWNERSHIP STRUCTURE UPON FORMATION

Section 2.1 Upon formation of the Company, the entire issued share ownership of the Company will be split [_____], but in all instances shall be reached by consensus of the Founders. Should the Founders wish to reserve any portion of the shares for future employees or for an option share pool, any such portion of shares reserved will dilute all Founders equally.

Section 2.2 The shares issued to each Founder shall vest on a vesting schedule to be determined by the Founders. The purpose of the vesting schedule is to encourage Founders to stay with the

Company over the vesting period. If a Founder departs the Company prior to full vesting of his or her shares, the remaining portion of any unvested shares shall be returned to the Company in accordance with that vesting schedule.

Section 2.3 The shares issued to each Founder shall come from the same series and class of shares, such that there is no difference in the rights (including but not limited to voting and distribution rights) accorded to the shares issued to each Founder.

Section 2.4 Sale of the Company to an interested third party shall take place if the sale is authorized by the board of directors and a majority of the outstanding shares, and otherwise in conformity with all applicable state and federal laws.

3. CONFIDENTIALITY

Section 3.1 The Founders agree to keep the Business Concept and Technology confidential; disclosure of the Business Concept and Technology will occur only on an as-needed basis and only upon consent of all Founders. Notwithstanding such unanimous consensual disclosures, the Founders shall take all necessary steps to keep the Business Concept and Technology confidential until the formation of the Company, at which time the Founders shall further detail and define any confidentiality obligations.

4. CONTRACTUAL COMMUNICATION AND DISPUTE RESOLUTION

Section 4.1 Within _____] of signature, if the Founders have not yet formed a Company, the Founders agree to discuss the benefits of continued collaboration related to the Business Concept and Technology and will discuss a mutually agreeable timetable for the formation of the Company.

Section 4.2 In the event that the Founders do not wish to continue their mutual collaboration, the Founders shall discuss a mutually agreeable separation and division of assets of their collaboration. The Founders shall further define any and all confidentiality obligations related to the Business

Concept and Technology. Consistent with Cal. Bus. & Prof. Code § 16600, *et seq.*, in no circumstance shall the underlying business concept be considered confidential upon termination of this Agreement.

Section 4.3 In the event that the Founders are not able to agree to a mutually agreeable separation, the Founders agree that they will submit to a binding confidential mediation to be held in San Francisco, California and conducted by a mutually agreed to mediator. The Founders agree and acknowledge that all provisions of this agreement, including confidentiality provisions, shall be binding up through the end of this mediation process. Costs of the mediation shall be borne equally by all Founders. The Founders hereby waive any all right to have this agreement adjudicated by a court or jury.

5. REPRESENTATIONS AND WARRANTIES

Section 5.1 Each Founder represents and warrants that he or she is not a party to any other agreement that would restrict such Founder's ability to perform its obligations as set forth in this Founder Collaboration Agreement. Each Founder represents and warrants that no third party can claim any rights to any intellectual property or other proprietary right possessed by that Founder as it relates to the Business Concept and Technology.

6. CHOICE OF LAW

This Agreement shall be governed by and construed in all respects in accordance with California law.

IN WITNESS WHEREOF, the Founders have signed this Agreement on
[_____].

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