FOUNDERS' AGREEMENT

This Founders' Agreement (this "Agreement") takes effect on _____, 20____ (the "Effective Date"). It is made among the founders listed below (the "Founders") and, if it is already formed, the company named below (the "Company").

Company name: _____. Status (check one): [ ] formed as a corporation under the laws of _____; [ ] formed as a limited liability company under the laws of _____; [ ] not formed yet; the Founders will form it under the laws of _____ within _____ days, and _____ will file the formation papers.

Business of the Company: _____.

1. FOUNDERS, ROLES AND FOUNDER EQUITY

"Founder Equity" means the shares of common stock (corporation) or membership units (LLC) issued to the Founders under this Agreement. Each percentage below is that Founder's share of all Founder Equity first issued to the Founders; the percentages must total 100%.

Founder 1: _____, title _____, _____% of the Founder Equity. Responsibilities: _____.

Founder 2: _____, title _____, _____% of the Founder Equity. Responsibilities: _____.

Founder 3: _____, title _____, _____% of the Founder Equity. Responsibilities: _____.

Founder 4: _____, title _____, _____% of the Founder Equity. Responsibilities: _____.

Time commitment (check one): [ ] each Founder works substantially full time for the Company; [ ] as follows: _____. Price each Founder pays for their Founder Equity: _____.

If the Company is formed, it will issue the Founder Equity within _____ days, and each Founder on the board will sign a written consent approving it. If the Company is not formed, the Founders will cause it to issue the Founder Equity promptly after formation, and the Company will sign a joinder to this Agreement. Until formation, no Founder may bind the business without the others' written approval.

2. CONTRIBUTIONS AND VESTING

Contributions of cash or property (if any): _____. No Founder must contribute or lend more money unless they agree in writing.

Vesting (check one): [ ] 25% vests on the first anniversary of _____ (the "Vesting Start Date") and the rest in 36 equal monthly installments, as long as the Founder keeps serving the Company; [ ] this schedule: _____; [ ] no vesting; all Founder Equity is fully vested when issued.

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Acceleration (check one): [ ] none; [ ] all unvested equity vests when the Company is sold (single trigger); [ ] all unvested equity vests if, within 12 months after a sale, the Founder is let go without cause or resigns for good reason (double trigger).

Section 83(b): a Founder who wants to be taxed on unvested equity when it is issued must file an election under section 83(b) of the Internal Revenue Code within 30 days after the transfer. Each Founder decides and files on their own and should consult a tax adviser.

3. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

Each Founder assigns to the Company (or, before formation, will assign within 10 days after formation) all rights in work created for the business, before or after the Effective Date, including: _____.

Work a Founder keeps (not assigned): _____. If it is built into a Company product, the Company has a free, perpetual license to use it there. Where state law limits employee invention assignments, this assignment does not reach inventions that law protects.

Each Founder will keep the Company's non-public information confidential, during and after their service, and may still report possible violations of law to a government agency.

4. OUTSIDE ACTIVITIES AND NON-SOLICITATION

No Founder may work for or help a competitor while serving the Company. Other outside work is (check one): [ ] allowed if it does not compete or take needed time; [ ] allowed only with the other Founders' written approval. Approved existing roles: _____.

[ ] Non-solicitation: while serving and for _____ months after, no Founder will lure away the Company's employees, contractors or customers, to the extent the governing state's law allows.

5. DECISIONS, PAY AND DEADLOCK

Decisions outside a Founder's own role are made by (check one): [ ] Founders holding more than half of the Founder Equity; [ ] a majority of Founders, one vote each; [ ] all Founders. These need every Founder: _____.

Salaries (check one): [ ] none until the Founders approve them; [ ] as follows: _____. Reasonable expenses are repaid when the Company has funds; any single expense above $_____ needs another Founder's approval.

A deadlock is broken by (check one): [ ] talks, then a mediator; [ ] _____, for ordinary decisions only; [ ] a neutral adviser the Founders choose, for ordinary decisions only.

6. DEPARTURE AND TRANSFERS

A Founder removed for cause (fraud, a felony, willful misconduct or an uncured material breach) is a bad leaver. A Founder who resigns is a [ ] good [ ] bad leaver. Death, disability and removal without cause make a good leaver.

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On departure, the Company may buy back unvested Founder Equity at the lower of cost or fair market value within _____ days. Vested equity of a good leaver: [ ] kept [ ] may be bought back at fair market value. Vested equity of a bad leaver: [ ] kept [ ] may be bought back at fair market value [ ] may be bought back at the lower of cost or fair market value. Vested equity is paid for [ ] in cash at closing [ ] 25% at closing and the rest over 2 years with interest.

No Founder may transfer Founder Equity without the other Founders' written approval, except to an estate-planning trust or family member bound by this Agreement, and the Company and then the other Founders have a 30-day right of first refusal.

7. FINANCING, TERM AND GENERAL TERMS

New equity issued to investors or under an approved plan reduces every Founder's percentage in proportion. No change to a Founder's vesting or equity takes effect without that Founder's written consent.

This Agreement ends when all Founders agree, on a sale or public offering of the Company, or when the Company is dissolved. Terms on IP, confidentiality and disputes survive.

The laws of the State of _____ govern this Agreement. Disputes will be resolved (check one): [ ] in the courts of _____ County; [ ] by mediation, then court; [ ] by mediation, then binding arbitration.

This Agreement is the complete agreement on its subject and can be changed only in writing signed by all Founders (and the Company, once formed). If any part is unenforceable, the rest stays in effect. It may be signed in counterparts and electronically. Each Founder had the chance to consult their own lawyer and tax adviser. Date signed: _____.

Additional terms: _____

SIGNATURES

Founder 1

Signature: _____ Date: _____

Printed Name: _____

Founder 2

Signature: _____ Date: _____

Printed Name: _____

Founder 3

Signature: _____ Date: _____

Printed Name: _____

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Founder 4

Signature: _____ Date: _____

Printed Name: _____

Company (if formed), by its authorized officer

Signature: _____ Date: _____

Printed Name: _____

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