**Founder's Agreement Explanation Cheat Sheet**

This document provides a high level overview of the Founder's Agreement you will be asked to sign as part of this class.

You should use this document as a "cheat sheet" to help you better understand the provisions of the Founder's

Agreement that are confusing to you. That said, this document **DOES NOT and SHOULD NOT** serve as a substitute for actually reading the entire Founder's Agreement and asking questions about parts that confuse you.

If there is a part of the Agreement that you do not understand, you would like further clarification about, or believe is

unfair, you should **ASK FOR CLARIFICATION BEFORE SIGNING THE DOCUMENT.**

**ONCE THE FOUNDER'S AGREEMENT IS SIGNED - IT IS A LEGALLY BINDING AGREEMENT ENFORCEABLE IN COURT.**

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**FOUNDER'S AGREEMENT**

**THIS FOUNDER'S AGREEMENT** (this "Agreement") is made effective

as of TODAY by and between XYZ Company, Inc. a Wisconsin corporation (the "Company") and Optimus Prime (the "Founder").

**RECITALS**

**WHEREAS**, the Founder created the Company and, to attract third

party investors to the Company, the Founder and the Company desire to create certain incentives for the Founder by granting the Founder restricted stock of the Company;

**WHEREAS,** the Founder, to attract third party investors to the

Company, desires to enter into certain restrictive covenants regarding confidentiality, non-competition, and non-solicitation; and

**WHEREAS,** the Founder, to attract third party investors to the

Company, desires to assign to the Company any and all intellectual property created by Founder for the Company.

**NOW, THEREFORE**, in consideration of the mutual promises and

conditions contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I**

**GRANT OF SHARES**

Grant. As of the date hereof (the "Grant Date"), subject to

the vesting schedule attached hereto as Exhibit A, and the other terms and

conditions contained herein, Founder hereby agrees to restrict two hundred thousand (200,000) shares (the "Shares") of the Company's common stock,

$0.001 par value per share ("Common Stock"),which Shares are to be issued to Founder upon the execution of this Agreement.

1.2

Shareholder Rights. The Founder shall have all the rights of a

shareholder with respect to the Shares, subject, however, to the terms and

conditions contained in this Agreement, and the transfer and other restrictions contained in any shareholders' agreement by and between the Company and the shareholders named therein (as the same may be amended, restated or otherwise modified from time to time, the "Shareholder Agreement").

1.1

This Article designates the amount of Shares the Founder is receiving. Be sure that the amount of shares you designate in NUMERIC VAUES is the same amount of Shares that you HAVE WRITTEN. (In other words 200,000 = Two Hundred Thousand)

Recitals provide a factual context to the agreement, and explanation of why the parties are entering into the contract. They also provide third parties a way to quickly understand the agreement's purpose, which can be particularly helpful for longer contracts. **You do not need to change this section.**

Fill in the date and the Founder who is a party to this Agreement.

**ARTICLE II**

**SECURITIES LAW COMPLIANCE; TRANSFER RESTRICTIONS**

* 1. Restricted Securities. The Founder hereby confirms that the Founder has been informed that the Shares are restricted securities under the Securities Act of 1933, as amended (the "Act"), and may not be resold or transferred unless the Shares are first registered under applicable state and federal securities laws or unless an exemption from such registration is available. Accordingly, the Founder hereby acknowledges that the Founder is prepared to hold the Shares for an indefinite period and that the Founder is aware that Rule 144 of the Securities and Exchange Commission issued under the Act is not presently available to exempt the sale of the Shares from the registration requirements of the Act.
	2. Transfer Restrictions. In addition to any restriction contained in the Shareholder Agreement, the Founder shall not make or attempt to make any disposition, pledge, gift, assignment or other transfer (voluntarily or involuntarily) of the Shares while the Shares are Unvested Shares (as defined below). Any such transfer, purported transfer or attempted transfer shall be void and of no effect.
	3. Legend. In order to reflect the restrictions on disposition of the Unvested Shares, the stock certificates representing the Unvested Shares, if any, will be endorsed with restrictive legends, including the legends required by the Shareholder Agreement and the following:

"THE SHARES REPRESENTED BY THIS STOCK CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS, INCLUDING RESTRICTIONS ON TRANSFER, OF A RESTRICTED STOCK AGREEMENT, WHICH MAY BE AMENDED FROM TIME TO TIME. A COPY OF THE RESTRICTED STOCK AGREEMENT IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY AND WILL BE MAILED TO ANY PROPERLY INTERESTED PERSON WITHOUT CHARGE UPON THE COMPANY'S RECEIPT OF A WRITTEN REQUEST THEREFORE. ANY SALE OR TRANSFER IN VIOLATION OF THE RESTRICTED STOCK AGREEMENT SHALL BE NULL AND VOID."

The Shares your company will be selling to a Venture Capital firm or Angel Investment Group are considered "Restricted" and are not registered with the Securities and Exchange Commission. Because of that, Shares cannot be "transferred" or sold while they are unvested ("restricted"), and once the Shares are vested, there are still restrictions concerning their transfer or sale to third-parties.

**ARTICLE III**

**SPECIAL TAX PROVISIONS**

3.1

Section 83(b) Election. The Founder understands that under

Section 83 of the Internal Revenue Code of 1986, as amended (the "Code"),

the difference between the fair market value of the Shares (or portion thereof) on the date any forfeiture restrictions applicable to the Shares (or portion thereof) lapse, minus the price paid, if any, for the Shares (or portion thereof) will be reportable as ordinary income to the Founder on such lapse date. For this purpose, the date the forfeiture restrictions lapse is the date on which the Shares (or portion thereof) become Vested Shares in accordance with Article IV hereof. The Founder understands that the Founder may elect under Section 83(b) of the Code to be taxed at the time the Shares are acquired hereunder, rather than when the Shares (or portion thereof) cease to be subject to the forfeiture restrictions. Such election must be filed with the Internal Revenue Service within thirty (30) days after the date of this Agreement. The form for making this election is attached as Exhibit B hereto. The Founder understands that failure to make this filing within such 30-day period will result in the recognition of ordinary income by the Founder as and each time the forfeiture restrictions lapse. The Founder also understands and acknowledges that nothing in this agreement guarantees that the vesting requirements of this award will be met and, accordingly, a Founder who makes an election under Section 83(b) of the Code may pay current taxes but may forfeit all rights to the property hereunder. In such a case, the Founder acknowledges that the Company has no obligation to reimburse or make whole the Founder for the taxes paid pursuant to an election under Section 83(b) of the Code.

3.2 Section 83(b) Election Acknowledgement. The Founder

acknowledges that it is the Founder's sole responsibility, and not the Company's responsibility, to file a timely election under Section 83(b) of the Code. This filing should be made by registered or certified mail, return receipt requested, and the Founder must retain two (2) copies of the completed form for filing with his or her state and federal tax returns for the current tax year and an additional copy for the Founder's personal records.

3.3

Valuation of Common Stock. The Founder understands that

the Shares have been valued at $0.001 per Share as of the Grant Date and

that the Company believes this valuation represents a fair attempt at reaching an accurate appraisal of their worth.

**\*IMPORTANT**\*

\*\***SERIOUSLY READ THIS\*\***

An 83(b) tax election allows a VESTING Founder to pay taxes on the fair market value of the equity he or she will receive while the Fair Market Value is essentially 0. Since any % of 0 is 0 - the Founder avoids paying taxes.

Imagine this scenario - 2 Founders each own 45% of a company and an outside investor has agreed to provide $1 Million in startup cash for the remaining 10%. The investor is worried that the Founder's will "cut and run" with the money, so they have mandated that the Founder's shares "vest" over time. Founder A files an 83(b) and Founder B does not.

Now, the company is "valued" $10 Million and each Founder's share of the company is worth $4.5 million. However, taxes cannot be levied against this ownership until the Founder "realizes" their value - i.e. the shares vest.

Founder A filed an 83(b) and essentially agreed with the IRS to pay all of his taxes up front, on the fair market value of his shares, before the $1 Million investment. (Essentially $0). Founder B however, did not file an 83(b) and will "realize" income each period that his shares vest - meaning he will have to pay taxes on an aggregate total of $4.5 Million.

**ARTICLE IV VESTING**

* 1. Vesting of Shares. The Shares shall vest in accordance with the vesting schedule attached hereto as Exhibit A, and shall thereafter be "Vested Shares." Except as provided in Section 4.2, from the date hereof until the Shares are vested, such Shares are deemed "Unvested Shares."
	2. Acceleration. Notwithstanding the vesting schedule attached hereto as Exhibit A, upon the closing of a Sale of the Company (as defined below), all Unvested Shares may immediately vest and become Vested Shares, upon the approval of the Board of Directors, hereunder and all conditions, performance obligation requirements, restrictions and contingencies thereon shall be lifted. "Sale of the Company" shall mean either (a) a transaction or series of related transactions in which a person, or a group of related persons, acquires from shareholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company; or (b) a transaction that qualifies as a Deemed Liquidation Event, as that term is defined on Exhibit C, attached hereto.
	3. Forfeiture of Shares. In the event the Founder is no longer employed or engaged by the Company as an employee, consultant, officer or director, for whatever reason whatsoever, including, but not limited to, death, disability or retirement, all the Unvested Shares and any rights or claims attached thereto will be deemed immediately forfeited by the Founder to the Company.

If a Founder is no longer a part of the company, he or she will forfeit any of their unvested shares.

The Acceleration section will automatically vest any of the Founder's unvested shares if ownership of the company changes or if the company dissolves.

This section describes how the Shares the Founder owns in the Company will vest. The "Vesting Schedule" is attached to this Agreement as Exhibit A.

**ARTICLE V RECAPITALIZATION**

In the event of any change in the outstanding shares of Common Stock of the Company by reason of any stock dividend or split, recapitalization, merger, consolidation, conversion, spin-off, reorganization, combination or exchange of shares, or other similar corporate change, or other increase or decrease in such shares without receipt or payment of consideration by the Company, any new, substituted or additional securities or other property that is by reason of such transaction distributed with respect to shares of Common Stock, the Company shall deposit the same in escrow, pursuant to Article VI, with respect to any Unvested Shares. Such new, substituted or additional securities shall continue to vest in accordance with the schedule set forth on Exhibit A, with each new, substituted or additional security vesting simultaneously with the share of Common Stock upon which it was issued.

**ARTICLE VI ESCROW**

6.1 Deposit. Upon issuance, the certificates for any Unvested Shares, if any, granted hereunder shall be deposited in escrow with the Company to be held in accordance with the provisions of this Article VI. The deposited certificates, together with any other property or securities from time to time deposited by the Company in connection with Unvested Shares held in escrow, shall remain in escrow until such time or times as the Unvested Shares become Vested Shares or are forfeited.

All Unvested Shares of the Company will be held in Escrow by the Company until they become Vested or are forfeited by the Founder.

If a Founder receives additional equity, or their outstanding percentage of equity in the company changes, any additional Shares received by the Founder will vest according to the provisions of this Agreement and the Vesting Schedule in Exhibit A.

**ARTICLE VII**

**INTELLECTUAL PROPERTY**

7.1

Assignment. The Founder covenants and agrees to assign to the

Company any and all patents, inventions, discoveries, designs, creations, original

works of authorship, mask works, developments, concepts, know-how, improvements and Trade Secrets (defined below), whether or not patented, patentable or registerable under copyright, patent, trademark or similar laws, pertinent to or related in any way to the business of providing technology services to public venues or event music services (the "Company's Business") that (a) the Founder currently owns or has transferable rights to, except as detailed in Section 7.3below, (b) the Founder may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, while a shareholder of the Company and that relate to the Company's Business, or (c) result from the Founder's use of Company materials, equipment, facilities or Confidential Information, as defined below, (all such material in (a), (b), and (c) above, collectively referred to as "Creations"), shall be the sole and exclusive property of Company throughout the world. The Founder further agrees that, to the extent any Creation is copyrightable, such Creation shall be considered a "work(s) made for hire" as that term is defined by United States Copyright Law, and, to the extent any Creation is not copyrightable, Founder hereby assigns to the Company, or its designee, all of Founder's right, title and interest in and to such Creation throughout the world. For the purposes of this Agreement, "Trade Secret" means a trade secret as defined under Wisconsin Statues Section 134.90, as amended.

7.2

Creations After Termination.

Any Creation created by the

Founder within one (1) year after the Founder is no longer a shareholder of the

Company that (a) relates to any business the Company was engaged in or planning to be engaged in while the Founder was a shareholder, or (b) results from work first performed by the Founder using Company materials, equipment, facilities, Trade Secrets or Confidential Information, shall be promptly disclosed by the Founder in writing to the Company and shall be the exclusive property of the Company and subject to the provisions set forth in Section 7.1 above.

7.3

Inventions Retained and Licensed. The Founder agrees that the

Founder has attached hereto, as Exhibit D, a list describing with particularity all

inventions, discoveries, designs, original works of authorship, developments, concepts, know-how, improvements and Trade Secrets that were made by the Founder prior to executing this Agreement (collectively referred to as "Prior Creations"), which Prior Creations belong solely to the Founder or belong to the Founder jointly with another and are not assigned to the Company hereunder; or, if no such list is attached, the Founder represents that there are no such Prior Creations. If a Prior Creation listed on Exhibit D is incorporated into a Company product, process or machine, or used by the Founder in the performance of the Founder's activities with and for the Company, the Founder hereby grants to the Company a non-exclusive, royalty-free, fully paid-up, irrevocable, perpetual, worldwide license (with the right to assign and sublicense) to make, have made, copy, modify, make derivative works of, use, sell, offer to sell, import, publicly perform, publicly display, disclose and otherwise distribute such Prior Creation as part of or in connection with such product, process or machine.

Any creation not listed on Exhibit D is assigned to the Company. If any of the Prior Creations on Exhibit D are incorporated into the Company's products, the Founder agrees to give the Company a license to use the creation.

Any creation by the Founder 1 YEAR after his or her disassociation with the Company is the property of the Company if it relates to the Company's business or was created using Company resources.

The Founder agrees to "assign" all of his or her ideas, patents, copyrightable work, etc. to the Company, unless it is listed on Exhibit D. This includes all wok that a Company or team completes as part of this Class.

7.4 Prior Obligations. The Founder represents that the Founder has

not breached and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by the Founder prior to the execution of this Agreement and the Founder agrees that the Founder has not assigned and will not use, or induce the Company to use, any inventions or confidential or non-public proprietary information or material belonging to any previous client or employer of Founder, or any other party, including, without limitation, any Prior Creations.

7.5

Assistance With Patent and Copyright Rights. Founder agrees to

assist the Company, or its designee, at the Company's expense, in every proper

way to secure the Company's rights in the Creations and any copyrights, patents, trademarks, mask work rights, moral rights and other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto and the execution of all applications, specifications, oaths, assignments, recordations and other instruments that the Company shall deem necessary in order to apply for, obtain, maintain and transfer such rights and in order to assign and convey to the Company and its successors, assigns and nominees the sole and exclusive rights, title and interest in and to such Creations, and any copyrights, patents, mask work rights and other intellectual property rights relating thereto. The Founder further agrees that the obligation to execute or cause to be executed, when it is in the Founder's power to do so, any such instruments or papers shall continue after the execution of this Agreement until the expiration of the last such intellectual property right to expire in any country of the world. If the Company is unable because of the Founder's mental or physical incapacity or unavailability or for any other reason to secure the Founder's signature to apply for or to pursue any application for any United States or foreign patents, copyrights, mask works or other registrations covering Creations or original works of authorship assigned to the Company as above, then the Founder hereby irrevocably designates and appoints each of the Company and its duly authorized officers and agents as the Founders agent and attorney in fact, to act for and on the Founder's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters patent, copyright or other registrations thereon with the same legal force and effect as if originally

executed by the Founder.

The Founder hereby waives and irrevocably

quitclaims to the Company any and all claims, of any nature whatsoever, that

the Founder now or hereafter has for infringement of any and all proprietary rights assigned to the Company.

The Founder will assist the Company in asserting its ownership rights over any creations or IP the Founder contributed to the Company during their tenure.

The Founder certifies that he or she has no prior obligations that would impact the obligations they are undertaking as part of this Agreement. (I.E. Signing this Agreement does not violate any prior agreements the Founder has entered into.)

**ARTICLE VIII**

**RESTRICTIVE COVENANTS**

8.1

Confidentiality.

(a) The Founder acknowledges that after the execution of

this Agreement and during the period of time in which the Founder is shareholder of the Company, he will have access to and become acquainted with trade secrets, proprietary information, intellectual property, Creations, and confidential information belonging to the Company that are not generally known to the public, including, but not limited to, information concerning business plans, financial statements and other information provided pursuant to this Agreement, operating practices and methods, expansion plans, strategic plans, marketing plans, contracts, customer lists or other business documents which the Company treats as confidential, in any format whatsoever (including oral, written, electronic or any other form or medium) (collectively, "Confidential Information"). In addition, the Founder acknowledges that: (i) the Company has invested, and continues to invest, substantial time, expense and specialized knowledge in developing its Confidential Information; (ii) the Confidential Information provides the Company with a competitive advantage over others in the marketplace; and (iii) the Company would be irreparably harmed if the Confidential Information were disclosed to competitors or made available to the public. Without limiting the applicability of any other agreement to which the Founder is subject, the Founder shall not, directly or indirectly, disclose or use (other than solely for the purposes of the Founder monitoring and analyzing his investment in the Company or performing his duties as a director, officer, employee, consultant or other service provider of the Company) at any time, including, without limitation, use for personal, commercial or proprietary advantage or profit, either during his or her association with the Company as a shareholder, or for a period of two (2) years after the Founder ceases to be a Shareholder of the Company, any Confidential Information of which the Founder is or becomes aware. The Founder, while in possession of Confidential Information, shall take all appropriate steps to safeguard such information and to protect it against disclosure, misuse, espionage, loss and theft.

(b)

Nothing contained in Section 8.1(a) shall prevent the

Founder from disclosing Confidential Information: (i) upon the order of any

court or administrative agency; (ii) upon the request or demand of any regulatory agency or authority having jurisdiction over such Founder; (iii) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests; or (iv) to the extent necessary in connection with the exercise of any remedy hereunder (but in no event make any such disclosure before notifying the Company) and use reasonable efforts to ensure that any Confidential Information so disclosed is accorded confidential treatment satisfactory to the Company, when and if available.

If Confidential Information is requested as part of a Court Order or legal proceeding, the Founder may disclose the information.

Information that is publicly known, or was made known to the Founder through no fault of their own, does not need be kept confidential

While a member of the Company, the Founder agrees to keep all Confidential Information of the Company secret and to refrain from using it for personal gain.

Additionally, the Founder agrees that for a period of 2 YEARS after the Founder is no longer associated with the Company, the Founder will continue to keep all Confidential Information of the Company, old or new, a secret.

(c)

The restrictions of Section 8.1(a) shall not apply to

Confidential Information that: (i) is or becomes generally available to the public

other than as a result of a disclosure by a Founder in violation

Agreement; (ii) is or becomes available to a Founder or any Representatives on a non-confidential basis prior to its disclosure

of this

of its

to the

receiving Founder and any of its Representatives in compliance with this

Agreement; or (iii) is or has been independently developed or conceived by such Founder without use of Confidential Information.

8.2 Non-compete**.** In light of the Founder's access to Confidential

Information and position of trust and confidence with the Company, the Founder hereby agrees that, during the period he or she is a shareholder of the Company and for a period of Two (2) years after he or she is no longer a shareholder of the Company (the "Restricted Period"), the Founder shall not render services or give advice to, or affiliate with, or directly or indirectly through one or more of any of their respective Affiliates, own, manage, operate, control or participate in the ownership, management, operation or control of, any Competitor or any division or business segment of any Competitor throughout the United States of America; *provided*, that nothing in this Section 8.2 shall prohibit the Founder from acquiring or owning, directly or indirectly up to 2% of the aggregate voting securities of any Competitor that is a publicly traded Person. For purposes of this Section, "Competitor" means any other Person engaged, directly or indirectly, in whole or in part, in the same or similar business as the Company's Business.

8.3 Non-solicit of Employees. In light of the Founder's access to

Confidential Information and position of trust and confidence with the Company, the Founder further agrees that, during the Restricted Period, he or she shall not, directly or indirectly, through one or more Affiliates, actively solicit the employment of, or encourage any other Person to solicit, any individual who has been employed by the Company one (1) year prior to the date of such hiring or solicitation, or encourage any such individual to leave such employment. This shall not prevent the Founder from hiring any employee or former employee of the Company who responds to a general solicitation that is a public solicitation of prospective employees and not directed specifically to any Company employees provided that the Founder did not encourage the employee or former employee to respond to the aforementioned general solicitation.

8.4 Non-solicit of Clients. In light of the Founder's access to

Confidential Information and position of trust and confidence with the Company, the Founder further agrees that, during the Restricted Period, he or she shall not, directly or indirectly, through one or more of any of their respective Affiliates, solicit or entice, or attempt to solicit or entice, any clients, customers or suppliers of the Company for purposes of diverting their business or services from the Company.

8.5

Consideration. The Founder acknowledges and agrees that the

benefits and consideration he or she will receive under this agreement and

through the acquiring of third party investors constitutes adequate and sufficient consideration for his or her covenants contained in this Agreement.

**"Scalping" Clients:**

The Founder cannot attempt to entice clients of the Company to cease being Clients during the 2 year Restricted Period. (i.e. the Founder cannot take his or her "book of business" with them).

**"Scalping" Employees:**

The Founder cannot attempt to entice any of the Company's employees, who have been employed at the Company for 1 YEAR or LESS, to leave the Company during the 2 year Non-Compete Period. (the "Restricted Period")

**Non-Compete:**

The Founder may not compete with, or give assistance to, any competitor of the Company for a period of 2 Years after the Founder is no longer a Shareholder of the Company.

8.6 Formation of Business Context. The Founder acknowledges and

agrees that this Section 8 and the covenants contained herein are being entered into and agreed to in connection with the creation of a business and not in connection with an employment or other principal-agent relationship. All of the parties to the Agreement acknowledge and agree that section 103.465 of the Wisconsin Statutes, as may be amended from time to time, shall not apply to this Agreement or the covenants contained herein.

8.7

Injunctive Relief; Attorney Fees. The Founder agrees that

irreparable injury to the Company may result if the Founder breaches any

covenant in this Section 8, and that the remedy at law for such a breach will be inadequate. If the Founder breaches any provision of Sections 8.1, 8.2, 8.3, or 8.4, the Founder agrees that the Company shall be entitled, in addition to such other remedies and damages that available by law or under this Agreement, to injunctive relief to enforce such provisions.

8.8

Blue Pencil. If any court of competent jurisdiction determines

that any of the covenants set forth in this Section 8, or any part thereof, is

unenforceable because of the duration or geographic scope of such provision, such court shall have the power to modify any such unenforceable provision in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Section 8 or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by Applicable Law. The parties hereto expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them

If any part of this Agreement is void for being illegal - rather than throw out the entire agreement, a Court is given the power to change the illegal provisions of the Agreement to make them enforceable.

**ARTICLE IX**

**GENERAL PROVISIONS**

9.1

Adjustments. The existence of the Founder's rights under this

Agreement shall not affect in any way the right or power of the Company or its

shareholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issuance of bonds, debentures or preferred or prior preference stock ahead of or affecting the Common Stock or the rights thereof, or dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

9.2

Notices. All notices, consents and other exchanges of written

material required or implied under this Agreement shall be in writing and

delivered in person or by messenger, facsimile, overnight courier or certified mail and shall be sent to the following:

If to the Company:

<Insert Address Here>

If to Founder:

The address and facsimile number on file

with the Company

All notices shall be deemed delivered and received by the receiving party (i) if

delivered by messenger, on the date of delivery or on the date delivery was refused by the addressee, (ii) if delivered by facsimile transmission, upon receipt of facsimile confirmation of the party transmitting such notice, or (iii) if delivered by overnight courier or certified mail, on the date of delivery as established by the return receipt, courier service confirmation or similar documentation (or the date on which the courier or postal service, as applicable, confirms that acceptance of delivery was refused by the addressee). A party may change its notice information set forth above by giving the other party proper notice of the change, but a change to such notice information is only effective when it is actually received.

9.3

Prior Agreements. This Agreement constitutes the final and

complete understanding between the Founder and the Company regarding the

subject matter hereofand supersedes all prior agreements and understandings (written or oral) concerning the subject matter hereof.

9.4 Amendment; Headings.

This Agreement may be altered,

amended or modified only in writing, signed by both of the parties hereto.

Headings included in this Agreement are for convenience only and are not intended to limit or expand the rights of the parties hereto.

9.5

Assignability; Binding Effect. This Agreement and the rights and

duties set forth herein may not be assigned by the Founder, but may be assigned

by the Company, in whole or in part. This Agreement shall be binding on and inure to the benefit of each party and such party's respective heirs, legal representatives, successors and assigns.

9.6

No Waiver. The failure of the Company (or its assignees) in any

instance to exercise its rights under this Agreement shall not constitute a waiver

This Agreement is **THE** Agreement - any prior discussions or agreements between the Founder and the Company are void. This document constitutes the **ENTIRE** agreement between the parties.

If any notices need to be sent to the Founder, they will be sent to the address listed where it says "Insert Address Here"

This Agreement does not give the Founder the power to make decisions related to the Company's business.

of this Agreement or any other agreement between the Company and the Founder or the Founder's spouse. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition, whether of like or different nature.

* 1. Governing Law; Construction. This Agreement shall be governed by the internal laws of the State of Wisconsin, without regard to the conflicts of laws provisions thereof or any rules of construction concerning the party responsible for the drafting hereof.
	2. Founder Undertaking. The Founder hereby agrees to take whatever additional action and execute whatever additional documents the Company may in its judgment deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either the Founder or the Shares pursuant to the express provisions of this Agreement. The Founder hereby agrees to execute the Shareholder Agreement (or a joinder agreement thereto) simultaneously with the execution of this Agreement, to the extent Founder is not already a party thereto.
	3. Professional Advice. The acceptance and exercise of the rights under this Agreement and the issuance of the Shares may have consequences under federal and state tax and securities laws, which may vary depending on the individual circumstances of the Founder. Accordingly, the Founder acknowledges that he or she has been advised to consult the Founder's legal and tax advisor(s) in connection with this Agreement and the acquisition, holding and disposition of the Shares. The Founder acknowledges that neither the Company nor any of its officers, directors, attorneys or agents have made any representations as to the federal or state tax effects of the acceptance of the Shares or any rights under this Agreement.
	4. Counterparts. This Agreement may be executed in one or more counterparts, including by facsimile or PDF, each of which shall be deemed an original, provided that all such copies, in the aggregate, shall contain the signatures of all parties hereto.

The L&E Clinic is representing your Company free of charge. However, the Clinic **DOES NOT** represent **YOU** as an **INDIVIDUAL**. As a Founder of the Company, you may incur significant personal tax or other responsibility and should feel free to seek professional advice before signing this Agreement.

**IN WITNESS WHEREOF**,the parties have caused this Founder's Agreement to be executed as of the Grant Date.

**COMPANY:**

**XYZ Company, Inc.**, a Wisconsin Corporation

John Doe, CEO

**FOUNDER:** Optimus Prime

Optimus Prime, Founder

**EXHIBIT A - VESTING SCHEDULE - SAMPLE**

Vesting Schedule. The Founder's shares shall vest according to the following schedule:

Milestones:

1.

Upon execution of this agreement, 10,000 shares shall vest.

2.

Upon the Company achieving $10,000 is gross revenue, 70,000 shares shall vest.

Tenure with the Company:

During the Founder's entire tenure with the Company, the Founder shall be required to dedicate at least 60

hours per month to the Company's business. ("Minimum Monthly Commitment") Additionally, in order to confirm that the Founder has met the Minimum Monthly Commitment, the Founder shall be required to submit a log ("Time Sheet") to the CEO on the first of each month. The Time Sheet must include the following information: (i) the dates the Founder conducted Company business; (ii) a detailed description of the Company business conducted by the Founder on each date; and (iii) the amount of time the Founder spent conducting Company business on each date.

**If the Founder fails to meet the Minimum Monthly Commitment, or fails to submit a Time Sheet on the first of**

**each month, the shares scheduled to vest on that date shall be forfeited by the Founder.**

If the Founder is still engaged with the Company as an employee, officer, director, contractor, or consultant, and

subject to the above requirements, then ten-thousand (10,000) of the Founder's remaining Unvested Shares shall vest on the first of each month. The last shares shall vest on September 1, 2014 and any remaining Unvested Shares shall be forfeited by the Founder.

This is the added document EACH FOUNDER must submit to the IRS within 30 days of signing this document AND when the Founder files his or her personal tax return.

**Exhibit B**

**SECTION 83{b) TAX ELECTION**

This statement is being made under Section 83(b) of the Internal Revenue Code, pursuant to Treas. Reg. Section 1.83-2.

(1)

The taxpayer who performed the services is

Name:

Address:

Taxpayer Identification No.:

(2)

The property with respect to which the election is being made is 290,000 shares of the Common Stock of

 , Inc.

(3)

The property was issued as of

(4)

The taxable year in which the election is being made is the calendar year 2013.

(5*J*

The property is subject to certain redemption rights pursuant to which the issuer has the right to acquire

the property if, for any reason, taxpayer does not meet the requirements for vesting of the restricted shares.

(6)

The fair market value at the time of transfer (determined without regard to any restriction other than a

restriction that by its terms will never lapse) is $0.001 per share.

(7)

The amount paid for such property is $0.00 per share.

(8)

A copy of this statement was furnished to , Inc. for whom taxpayer is rendering services

underlying the transfer of property.

(9)

This statement is executed as of the 2013.

Taxpayer

Spouse (if any)

This form must be filed with the Internal Revenue Service Center with which taxpayer files his or her federal income tax

returns. The filing must be made within 30 days after the execution date of the Founder's Agreement.

**Exhibit C**

"Deemed Liquidation Event" shall mean either

(a) A merger or consolidation in which (A) the Company is a constituent party or (B) a subsidiary of the

Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation, except, in either case, any such merger or consolidation involving the Company or a subsidiary in which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; provided, that, for the purpose of this definition, all shares of Common Stock issuable upon exercise of Stock Options outstanding immediately prior to such merger or consolidation or upon conversion of Convertible Securities outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged; or

(b)

The sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related

transactions, by the Company or any subsidiary of the Company of all or substantially all the assets of the Company and

its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Company if substantially all of the assets of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Company.

**Exhibit D**

**LIST OF PRIOR INVENTIONS**

**AND ORIGINAL WORKS OF AUTHORSHIP**

Identifying Number

or Brief Description

 Title

 Date

 No inventions or improvements

 Additional Sheets Attached

Signature of Founder:

Print Name of Founder:

Date: