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## Founders' Agreement

*State of Alabama*

This Founders' Agreement (hereinafter "Agreement"), made by and between the founders signed below ("Founders"), is executed as of \_\_\_\_\_ (the "Effective Date").

### *RECITALS:*

*WHEREAS the Founders who have signed below are creating a Business Venture (defined below) together;*

*WHEREAS, the Founders have created a limited liability company, organized under the laws of the state of Alabama;*

*WHEREAS, the limited liability company is registered as: \_\_\_\_\_ (the "Business");*

*WHEREAS, the Founders wish to memorialize an agreement between them regarding their rights;*

*NOW, therefore, in consideration of the promises and covenants contained herein, as well as other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Founders do hereby agree as follows:*

### **ARTICLE 1 - ADDRESS OF BUSINESS:**

The mailing address and the street address (principal office address) for the Business are as follows:

\_\_\_\_\_

The principal and mailing address of the Business may change as the Founders may designate.

**ARTICLE 2 - PURPOSE:**

The purpose and definition of the Business Venture is as follows:

\_\_\_\_\_

**ARTICLE 3 - OWNERSHIP & CAPITAL CONTRIBUTIONS:**

Name: \_\_\_\_\_

Address:

\_\_\_\_\_

Capital Contribution: \$2 (two US dollars)

Ownership percentage: 99%

Name: \_\_\_\_\_

Address:

\_\_\_\_\_

Capital Contribution: \$2 (two US dollars)

Ownership percentage: 99%

**ARTICLE 4 - ROLES & RESPONSIBILITIES**

Each founder will have a different role in the constitution of the Business, as follows:

\_\_\_\_\_:

\_\_\_\_\_

\_\_\_\_\_:

\_\_\_\_\_

## **ARTICLE 5 - LOANS & REIMBURSEMENT:**

For any payment of funds from a Founder to the Business not specifically stated to be a capital contribution, that payment will be treated as a debt owed by the Business to the Founder. Such debt shall not increase the lending Founder's ownership interest in the Business and will be paid back with interest according to a schedule determined by a majority of Founders, which may be determined through a vote.

For any expenses incurred by Founders related to the Business, Founders will receive full reimbursement provided receipts are kept and made part of the Business' records.

## **ARTICLE 6 - VOTING:**

Each Founder shall receive equal votes, regardless of ownership interest in the Business.

## **ARTICLE 7 - INTELLECTUAL PROPERTY:**

All Founders agree that all work-product, inventions, trade secrets, and confidential and/or proprietary information conceived, created or developed by the Founders which is related to the Business Venture or developed, made, or discovered by the Founder in the course of the performance of Founder's duties for the Business Venture shall be the property of the Business. The Founders hereby assign to the Business the entire right, title, and interest in and to all work created and in and to all proprietary rights therein or based thereon including without limitation any and all copyrights, patents, trademarks, or other intellectual property rights relating to all work.

## **ARTICLE 8 -**

## **ARTICLE 9 -**

## **ARTICLE 10 - DISPUTE RESOLUTION:**

In case of a dispute between the Founders relating to the Business Venture or Business, the Founders shall first attempt to resolve the dispute personally and in good faith. If these personal resolution attempts fail, the Founders shall then submit the dispute to mediation prior to the filing of any suit. The Founders each and all agree to submit any

lawsuit to the state and federal courts within the state of Alabama.

#### **ARTICLE 11 - TERMINATION OF FOUNDER:**

Founders may resign from the Business or Business Venture at any time upon thirty days' written notice to the other Founders. Payout of the resigning Founder will be determined by mutual agreement of the remaining Founders, based on the net positive worth of the Business or Business Venture at the time of resignation.

#### **ARTICLE 12 - DISSOLUTION:**

Dissolution of the Business may occur if the Founders unanimously decide to dissolve the Business and the Business Venture and do so through a valid vote.

If the Business is dissolved, the Founders must participate in the winding up of the Business. Duties in winding up may include satisfying any creditors, liquidating assets, ensuring the cancelation of outstanding contracts, and any other actions the Founders deem appropriate.

If the Business is registered, final termination of the Business requires any state registration provided to the relevant Secretary of State to be canceled.

#### **ARTICLE 13 - AGREEMENT CANCELATION:**

This Agreement may be canceled or terminated by unanimous written consent of the Founders if an organizational business document is created outlining relevant oversight of the Business, such as an Articles of Incorporation, Articles of Organization, Operating Agreement, or any other foundational business document.

#### **ARTICLE 14 - GENERAL PROVISIONS:**

a. Right to counsel. All Founders have been advised of their right to seek independent counsel prior to signing this Agreement. All Founders have either sought such counsel or waive their right to do so and enter into this Agreement freely and of their own volition.

b. Language. All communications made or notices given pursuant to this Agreement shall be in the English language.

c. Severability. If any part or subpart of this Agreement is held invalid or unenforceable by a court of law, the remaining parts and sub-parts will be enforced to the maximum extent possible. In such condition, the remainder of this Agreement shall continue in full force.

d. Entire agreement. This Agreement constitutes the entire understanding between the Founders and the LLC with respect to the subject matter covered herein. This Agreement supersedes and replaces all prior or contemporaneous agreements or understandings, written or oral, regarding the LLC.

e. Governing law. This Agreement shall be governed by and construed in accordance with the internal laws of Alabama without giving effect to any choice or conflict of law provision or rule.

f. Amendment. This Agreement may only be amended if agreed to in writing by each and all of the then-current Founders.

g. Headings for convenience only. Headings of parts and sub-parts under this Agreement are for convenience and organization, only. Headings shall not affect the meaning of any provisions of this Agreement.

h. Counterparts. This Agreement may be executed in counterparts, all of which shall constitute a single agreement. The Agreement shall be effective as of the date set forth above.

i. Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "Notice") shall be in writing. All notices shall be delivered by email or at the addresses which the Founders may designate to each other, through this Agreement or otherwise, personal delivery, nationally recognized overnight courier (with all fees prepaid), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only if (a) the receiving party has received the Notice and (b) the party giving the Notice has complied with the requirements of this subsection.

***EXECUTION:***

\_\_\_\_\_  
Signature: \_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_