THIS AGREEMENT is made on **\_\_\_\_\_\_\_\_\_\_ \_, 201\_** between [**INSERT\_PARTNER]**, hereinafter the "Partner" and **[YOUR ENTITY NAME]**, hereinafter the “Principal,” with offices at 1**[YOUR ADDRESS]**. Partner and Principal shall be referred to collectively as the **Members**.

IN CONSIDERATION of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Members agree to govern “[**PRODUCT NAME]**,” a subscription software product for [**\_product\_description\_]**, hereinafter the “**Platform**,” as follows:

**1. Ownership**

Partner shall own \_\_% of the Platform.

Principal shall own \_\_% of the Platform.

**2. Assets**

Platform has the following assets, all of which are split according to Ownership in Section #1:

* Hosting @ \_\_\_\_
* Source code hosted at \_\_\_.com and GitHub
* Email account, \_\_\_\_\_
* Insert other accounts

**3. Capital Contributions**

Simultaneously with its execution hereof, each Member agrees to contribute to the Company (as to each, its “Capital Contribution”) **$\_\_\_\_\_** in exchange for its respective Interest. To the fullest extent permitted by applicable law, no Member is required to make any contribution of property or money to the Company in excess of its respective Capital Contribution. No Member shall contribute any additional cash or property, as a capital contribution, to the Company without the prior consent of the majority of the Members, in accordance with terms set forth in Section #7.

**4. Distributions**

The principal shall promptly cause the Platform to distribute to the Members any cash held by the Company which is neither reasonably necessary for the operation of the Company nor in violation of applicable law; provided that such distributions are approved by the majority consent of the Members. Cash available for distribution shall be distributed to the Members in accordance with their respective Interests.

**5. Compensation**

None of the Members shall receive compensation for services rendered to the Company.

**6. Working Arrangement**

[EXAMPLE 1: Principal is responsible for day-to-day activities in operating the Platform, including hiring, product management, development, customer support, sales, basic bookkeeping, and other back-office tasks. Partner may be asked for feedback on Platform initiatives but is not expected to hold an operational role.]

[EXAMPLE 2: Principal and Partner are equally responsible for day-to-day activities in operating the Platform, including hiring, product management, development, customer support, sales, basic bookkeeping, and other back-office tasks. Partner shall be primarily focused on development and product management, while Principal shall be focused primarily on back-office, sales and marketing.]

**7. Capital Contribution and Distribution Limits**

Distributions may be compelled by Partner if cash held by Platform is greater than $XX and monthly operating expenses are below $XX, or Platform cash is greater than $XX and monthly operating expenses are no more than XX% of available cash.

Capital Contributions may not be compelled by Principal but can be agreed upon by Members. If Principal feels capital contributions will be needed all members can agree to forego distributions first for the foreseeable future to make up given capital needs before contributions are needed. If contributions are still needed, but are not commensurate with existing equity interests, Partner has the option to purchase additional equity in the Platform, to be calculated by an up-to-date valuation (< 90 days old) from a 3rd party valuation firm.

**Member**

[PARTNER NAME], Partner

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_

**Member**

[YOUR NAME], Principal

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_