

Jeff & Sol · Affirmology LLC

Working framework. Reference for signing and operating agreement drafting.

STATUS SUMMARY

What is locked, what is pending.

LOCKED: founder allocation percentages, vesting structure, signing equity, board structure (3 voting + observer with 5-member path), mediation, investor approval threshold, time commitment scope, Major Decisions list, romantic dissolution clause, non-disparagement, IP assignment.

PENDING: exact metrics for any future discretionary equity grants to Sol (board to define if/when), specific marketing budget allocations (scales with revenue), specific cause definitions in final operating agreement language (attorney review later).

01 - FOUNDER ALLOCATION

Pre-round equity ownership.

MEMBER	UNITS	%	STATUS
Jeff Parker	72,000	72%	Lead Founder, CEO, CTO
Sol	20,000	20%	Co-Founder, CBO (path to 25% via earn-in)
Team Pool	8,000	8%	Future grants (Randy, Glo, Lauren, advisors, CTO)

Future CEO grant (Jacque, Sol's sister Gabby, or other) pulls from team pool first; if pool insufficient, additional dilution comes from Jeff's stake specifically. Sol's stake is protected from CEO-grant dilution.

02 - SOL'S VESTING SCHEDULE

How Sol's 20% becomes hers.

- **5% Immediate Vested (Signing Equity):** unconditional, irrevocable. Hers from operating agreement signing day. Recognizes relationship capital, audience archetype value, investor network access. Owned even if she walks 30 days later.
- **15% on 4-Year Vesting Schedule with 3-Month Cliff:** standard monthly vesting after 3-month cliff. At month 3: 1.25% additional vested. Month 12: 8.75% total vested. Month 48: 20% fully vested.
- **Earn-in Path: up to 5% additional via Investor Bring-In** (see Section 03).
- **Ceiling: 25% total.**

Under no circumstance does Sol walk with less than 5% of the company.

03 – SOL'S EARN-IN TO 25%

Investor bring-in mechanism only. Revenue milestones dropped.

Sol's 20% base scales to a 25% ceiling via two mechanisms that share the same 5% earn-in space:

MECHANISM A: INVESTOR BRING-IN (YEARS 0-4)

1% additional vested equity per qualified investor (\$25K+ check) Sol introduces who closes. Each 1% tacks on at the time the investor commits and vests over 24 months from that closing date.

MECHANISM B: YEAR 5 LONG-TERM COMMITMENT BONUS

At the end of Year 5, if BOTH conditions are met, the board may grant Sol the difference between investor-bring-in equity already earned and 5%, bringing her total earn-in to the full 5% / total stake to 25%:

- Sol is still active in C-suite role (CBO or equivalent) at Year 5 anniversary
- Company has hit at least \$1M annual revenue at that point

This rewards long-term commitment without pre-committing equity to fuzzy formulas. Worked example: if Sol brought 2 investors over Years 1-3, she earned 2% via Mechanism A. At Year 5 with the conditions met, board can grant the additional 3% to bring her to 25% total. Requires board majority vote.

Why revenue milestones were dropped (and replaced with this): Sol already benefits from company growth via her 20-25% ownership. Adding

equity for company-wide milestones alone would be double-rewarding. The Year 5 bonus ties to BOTH her continued active role AND company hitting a meaningful revenue floor, ensuring incremental equity rewards sustained Sol-specific contribution alongside company success.

04 – ACCELERATION & LEAVER PROVISIONS

What happens on departure.

GOOD LEAVER (KEEPS VESTED EQUITY, UNVESTED FORFEITED)

- Death
- Disability preventing meaningful work for 90+ consecutive days
- Termination without cause
- Mutually agreed transition to passive role

BAD LEAVER (COMPANY CAN REPURCHASE VESTED EQUITY AT FAIR-MARKET-VALUE WITH DISCOUNT)

- Voluntary resignation without good reason
- Termination for cause (narrowly defined)
- Material breach of operating agreement covenants uncured after 30 days written notice

CAUSE (NARROW, PROCEDURAL)

- Fraud or financial misappropriation
- Criminal conviction relating to the company
- Willful misconduct materially harming the company
- Material breach of covenants uncured after 30 days written notice

ACCELERATION ON TERMINATION WITHOUT CAUSE

50% of unvested equity accelerates. Applies to both founders.

Example for Sol at month 11: 5% signing vested + 0% from 15% vest (still in or just past cliff) + 50% of remaining 15% = 5% + 7.5% = 12.5% accelerated vested.

05 – ROMANTIC DISSOLUTION CLAUSE

The unique-to-this-situation provision.

Dissolution of the romantic relationship between Jeff and Sol does NOT, by itself, constitute Cause and does NOT trigger any leaver provision. Equity, titles, roles, vesting, and board positions all continue regardless of relationship status. The relationship and the company are kept legally separate.

Both founders explicitly acknowledge that the structural protections in this agreement are designed to allow the company to function regardless of the personal relationship's state.

06 – ROLES & DECISION AUTHORITY

Who decides what.

JEFF (CEO, CTO, LEAD FOUNDER)

Day-to-day operational authority. Product direction. Technology stack. Investor relations. Fundraising. Financial strategy. Hiring/firing below C-suite. Routine vendor relationships. Public representation as founder.

SOL (CBO, CO-FOUNDER, BRAND & COMMUNITY)

Brand identity, visual identity, voice and tone. Content strategy across all channels. Social media presence. Community engagement. Sol's personal brand presentation as Co-Founder. Press appearances involving her. (See Domain Authority Section 08.)

BOTH FOUNDERS

Voting on Major Decisions (Section 07).

07 – MAJOR DECISIONS (BOTH FOUNDER APPROVAL REQUIRED)

Decisions Jeff cannot make unilaterally.

- Sale of the company
- Issuing new equity grants above 1% single or 5% cumulative 12-month threshold
- Taking on debt above \$25K
- Hiring or firing of C-suite executives (CEO, COO, CTO at officer level)
- Materially changing the business model

- Changing the company's stated purpose or core domain
- Distributions to members above defined threshold (see Section 19)
- Removing a co-founder from operational role
- Amending the operating agreement
- Single capital expenditure above \$25K

08 – SOL'S DOMAIN AUTHORITY & OVERRIDE MECHANISM

Brand sovereignty with bounded escape hatch.

SOL'S UNILATERAL AUTHORITY

Within her domain (brand identity, content strategy, social media, community engagement, her personal brand presentation, press involving her), Sol has CEO-equivalent decision authority. Jeff can advise but not unilaterally override.

OVERRIDE TRIGGER CONDITIONS

Jeff may call for board review of a Sol-domain decision only if he provides written documentation that ONE OR MORE of these conditions applies:

1. Material financial harm to company expected
2. Material legal or regulatory exposure
3. Material reputational risk (would damage trust with investors, customers, or key partners)
4. Direct conflict with company's stated mission in operating agreement
5. Significant breach of stated company values in operating agreement

MANDATORY MEDIATION BEFORE BOARD ESCALATION

Before any board review, both founders must attempt mediation through a neutral third party (see Section 09). 30-day mediation window. If unresolved, then board vote.

BOARD OVERRIDE VOTE

Board (3 members) reviews documented case. 2-of-3 vote required to override Sol's decision. Sol retains her board vote during the review.

09 – MEDIATION

Neutral third party for disputes.

Either founder may request mediation on any matter requiring resolution. Mediation conducted by neutral third party mutually agreed by both founders within 14 days of request. If founders cannot agree on a mediator within 14 days, mediator selected from a list of professional business mediators provided by American Arbitration Association or equivalent professional body.

Cost: company pays up to \$5,000 per dispute. Founders share equally any costs above that threshold.

Excluded mediator candidates: anyone partial to either founder is excluded. Mark Cleveland, Josh Williams, and other personal advisors of either founder cannot serve as mediator in disputes between them.

10 - TIME COMMITMENT

Domain-scoped roles, not 100% founder commitment.

Affirmology operates as a Wyoming LLC with domain-scoped co-founders. Neither founder is required to make Affirmology their sole professional pursuit.

SOL'S TIME COMMITMENT

20 to 30 hours per week on Affirmology-related work within her domain. Measured by deliverables and presence at key events, not by hours-in-chair. Explicit allowance for other paid work, creative projects, and professional commitments not directly competing with Affirmology's domain.

JEFF'S TIME COMMITMENT

30 to 60 hours per week on Affirmology-related work in his domain. Same explicit allowance for other professional pursuits including relationship coaching, retreats, men's work, podcast, and personal brand activities not competing with Affirmology.

11 - COMPENSATION STRUCTURE

Founder salary, bonuses, expenses.

FOUNDER SALARY POOL (ONCE FUNDED)

Combined founder salary pool of \$8K to \$10K per month, split based on relative time commitment. Sol's floor: \$3K/month while active in role. Salaries scale with revenue.

PERFORMANCE BONUS POOL

Quarterly bonus pool when company hits defined milestones (revenue targets, subscriber milestones, conference outcomes). Distributed to both founders proportional to equity OR weighted by salary. Board decides each cycle.

TRAVEL AND EVENT BUDGET

Full reimbursement for company-related travel, conference attendance, speaking opportunities. Annual budget set by board.

PERSONAL DEVELOPMENT BUDGET

\$300 to \$500 per month per founder for courses, coaches, books, conferences. Treated as business expense.

12 — BOARD STRUCTURE

3 voting members initially, growth path to 5.

INITIAL BOARD (3 VOTING + 1 OBSERVER)

- **Jeff Parker (Chairman, CEO)** — voting
- **Sol (Co-Founder, CBO)** — voting, permanent seat while she holds 5%+ equity and is not terminated for cause
- **Colin (Lead Anchor Investor / Strategic Advisor)** — voting if he commits; if he passes, third seat goes to mutually agreed advisor
- **Josh Parini** — observer (no vote, can attend and speak); growth path to voting if expanded to 5 members

EXPANSION PATH TO 5 VOTING MEMBERS

When Gabby Ballard (Sol's sister) commits as investor, board expands to 5 voting members: Jeff, Sol, Colin, Gabby (4th voting), Josh promoted from observer to voting (5th voting).

MAJOR DECISIONS REQUIRE BOARD MAJORITY

At 3-member board: 2-of-3 majority. At 5-member board: 3-of-5 majority. Sol's seat is permanent under the conditions above.

13 – INVESTOR APPROVAL THRESHOLD (NEW EQUITY GRANTS)

Protects Sol from undisclosed dilution.

Jeff (as CEO) may grant new equity to non-founder parties (advisors, contractors, employees, partners) under these limits without Sol's specific approval:

- **Single grant maximum: up to 1% per individual.** Grants above 1% to one person require both founder approval.
- **Cumulative maximum: up to 5% total in any 12 rolling months.** Once cumulative grants in last 12 months hit 5%, any subsequent grant (any size) requires both founder approval.

This prevents Jeff from dispersing significant equity to friends, contractors, or new hires without Sol's knowledge. Routine small advisor grants proceed efficiently; larger grants require both signatures.

14 – NON-DISPARAGEMENT (MUTUAL)

No public bad-mouthing.

Both founders agree not to disparage each other publicly or privately to third parties regarding either the company or their personal relationship. Applies during the relationship/co-founder period and continues for 5 years after either founder departs the company.

Enforcement: liquidated damages of \$10,000 per violation, or actual damages if greater. Injunctive relief available.

15 – NON-COMPETITION (MUTUAL)

Florida-friendly, narrow scope, 12-18 months.

For 12 to 18 months after departure from the company, neither founder may directly start or work in a substantially similar product (AI-personalized cosmic-derived affirmation audio for individual consumers). Does NOT

prohibit related work (coaching, retreats, content, brand work, other audio products outside the cosmic-personalization category).

Geographic scope: worldwide for direct competition; Florida and Miami market specifically for events and physical community work.

16 - NON-SOLICITATION

24 months post-departure.

For 24 months after departure, neither founder may directly solicit company employees, contractors, customers, or investors for any competing or substantially similar venture.

17 - IP ASSIGNMENT

All company-related IP belongs to the company.

Both founders assign all existing and future Affirmology-related intellectual property to the company. Includes: Jeff's heart coherence meditation methodology (in the context of its incorporation into Affirmology products), Sol's brand work and content, both founders' code contributions, both founders' marketing creative, all derivative works.

Pre-existing personal IP not used in Affirmology remains the property of the respective founder.

18 - CONFIDENTIALITY

Mutual confidentiality of company and personal information.

Both founders agree to maintain confidentiality of: company financials, technology details, customer data, investor information, strategic plans, and personal information learned during the partnership. Standard 5-year survival on confidentiality obligations after departure.

19 - DISTRIBUTION POLICY & OPERATING RESERVES

How and when distributions happen.

- **Operating reserve target:** 6 months of operating expenses funded before any distribution.
- **Distribution timing:** Quarterly, beginning the quarter after operating reserves are met.
- **Founder salaries are SEPARATE from distributions** (drawn from operating budget).
- **Default reinvestment/distribution split:** 50% reinvested into growth, 50% distributed pro-rata once reserves met. Board can adjust based on growth opportunities.
- **Distribution decisions:** require board approval each cycle.

20 – FINANCE AUTHORITY STRUCTURE

Who can spend what.

- **Up to \$5K single transaction:** CEO solo discretion.
- **\$5K to \$25K single transaction:** CEO decides, notifies Sol.
- **Above \$25K:** both founder approval required.
- **Annual budget:** board approves at fiscal year start, reviews quarterly.
- **Sol's department budget:** initial allocation \$5K to \$10K/quarter scaling to 20-30% of monthly revenue as company matures. Sol discretion within budget; single spend above \$10K requires CEO notification, above \$25K requires both founder approval.
- **Outside CPA/accountant:** brought in when revenue exceeds \$25K/month or sooner if budget allows.

21 – DRAG-ALONG, TAG-ALONG, RIGHT OF FIRST REFUSAL

Liquidity and exit protections.

- **Drag-along:** majority founder (Jeff) can compel sale of all units in a qualified exit. Sol participates in sale on same terms.
- **Tag-along:** minority founder (Sol) can join any sale by majority on the same terms.

- **Right of first refusal (ROFR):** Company has ROFR on any unit sale by either founder. If company declines, other founder has secondary ROFR before sale to outside party.

22 – DISPUTE RESOLUTION PROCESS

Escalation path.

1. **Direct conversation** between founders. 14 days.
2. **Mediation** with neutral third party (Section 09). 30 days.
3. **Board review and vote** (Section 12 if applicable).
4. **Binding arbitration** per American Arbitration Association rules in Miami-Dade County, FL. Governing law: Florida.

23 – WITHDRAWAL, DEATH, DISABILITY

Provisions for departure scenarios.

- **Voluntary withdrawal:** good leaver provisions apply if departure is in good standing with 60 days notice; bad leaver otherwise.
- **Death:** vested equity transfers to estate per beneficiary designation. Unvested forfeited. Founder seat on board terminates.
- **Disability:** 90 consecutive days of inability to perform role triggers good leaver provisions. Vested equity retained; ongoing vesting paused until return or formal exit.
- **Romantic dissolution:** does NOT trigger any of the above. See Section 05.

24 – AMENDMENT PROCEDURE

How this agreement changes.

Amendments to this agreement require written consent of both founders. Material amendments (changes to equity, vesting, leaver provisions, romantic dissolution clause, or Major Decisions list) require unanimous board

approval. Routine amendments (administrative items, contact updates) require both founder signatures only.

SIGNATURE BLOCK

Ready for signing when both founders agree this is the structure.

Jeff Parker, Lead Founder, CEO & CTO of Affirmology LLC

Signature: _____ Date: _____

Sol, Co-Founder, CBO of Affirmology LLC

Signature: _____ Date: _____

This framework document captures the structural agreements reached between Jeff and Sol. It serves as the source-of-truth for operating agreement drafting by Florida startup counsel (when engaged, post-funding). Provisions herein are intended to flow into the formal operating agreement; any conflict between this framework and a later formally-executed operating agreement will be resolved in favor of the operating agreement.