

# BUSINESS COLLABORATION AGREEMENT

This Collaboration Agreement (this "Agreement") is entered into and made effective as of (the "Effective Date"), by and between **[FIRST PARTY S FULL LEGAL NAME]**, a Individual with an address of **[FIRST PARTY S ADDRESS]** ("Party A"), and **[SECOND PARTY S FULL LEGAL NAME]**, a Individual with an address of **[SECOND PARTY S ADDRESS]** ("Party B"). Party A and Party B are each a "Party" and collectively the "Parties."

## 1. Recitals and Purpose

The Parties desire to collaborate on **[PROJECT COLLABORATION NAME]** (the "Project"), which is described as follows:

| *[DESCRIBE THE PROJECT OR COLLABORATION IN]*

The Parties wish to set forth the terms and conditions governing their respective rights, obligations, contributions, and economic interests in the Project.

## 2. Scope of Collaboration

**2.1 Party A's Contributions.** Party A shall contribute and perform:

| *[FIRST PARTY S CONTRIBUTIONS AND RESPONSIBILITIES]*

**2.2 Party B's Contributions.** Party B shall contribute and perform:

| *[SECOND PARTY S CONTRIBUTIONS AND RESPONSIBILITIES]*

**2.4 Cooperation.** The Parties shall use commercially reasonable efforts, cooperate in good faith, communicate regularly, and devote such time and resources to the Project as are reasonably necessary to accomplish its purposes.

**2.5 Change Orders.** Any material change to the scope, deliverables, timeline, or financial terms shall be documented in a written change order signed by authorized representatives of both Parties before the changed work is performed.

## 3. Term and Termination

**3.1 Term.** This Agreement commences on the Effective Date and continues until the Project is completed and all obligations have been fully performed (the "Term").

**3.2 Termination for Convenience.** Either Party may terminate this Agreement for any reason upon **30 (thirty) days'** prior written notice to the other Party.

**3.3 Termination for Cause.** Either Party may terminate this Agreement immediately upon written notice if the other Party: (a) materially breaches this Agreement and fails to cure the breach within thirty (30) days after written notice; (b) becomes insolvent, files for bankruptcy, or makes an assignment for the benefit of creditors; or (c) ceases to conduct business in the ordinary course.

**3.4 Effect of Termination.** Upon termination: (a) each Party shall promptly return or destroy the other Party's Confidential Information and materials; (b) accrued rights to payment survive; (c) the Parties shall cooperate in an orderly wind-down of the Project; and (d) Sections 4 (IP), 5 (Financial), 6 (Confidentiality), 8 (Indemnification), 9 (Limitation of Liability), and 10 (General) survive termination.

## 4. Intellectual Property

**4.1 Background IP.** Each party retains sole and exclusive ownership of all intellectual property it owned or developed independently before the Effective Date or develops outside the scope of this Agreement ('Background IP').

**4.2 Project IP Ownership.** All intellectual property created by or for the Parties in the performance of this Agreement ("Project IP") shall be owned as follows:

The Parties shall **jointly own** all Project IP in equal, undivided shares. Each Party may use, license, and commercialize the Project IP without the consent of, or any duty to account to, the other Party, except as otherwise expressly provided in this Agreement. The Parties shall cooperate to secure and maintain all applicable registrations (e.g., copyrights, patents, trademarks), sharing expenses equally. **Right of First Refusal.** If either Party intends to sell, pledge, assign, or encumber its interest in the Project IP to a third party, it shall first give the other Party written notice of the material terms, and the other Party shall have thirty (30) days to match those terms.

**4.3 Credit and Attribution.** Both parties shall be credited jointly as collaborators in all public-facing materials, in a form mutually agreed in writing.

**4.4 Moral Rights.** To the fullest extent permitted by applicable law, each Party waives, and agrees not to assert, any "moral rights," *droit moral*, rights of attribution or integrity, or any similar rights (including rights under the Visual Artists Rights Act, 17 U.S.C. §106A) in the Project IP. Where such rights cannot be waived, each Party grants the other an irrevocable consent to any act or omission that would otherwise violate such rights.

## 5. Financial Arrangements

**5.1 Revenue Split.** Net Revenue from the Project shall be shared as follows: **Party A — 50%; Party B — 50%**. The Parties confirm that their respective shares total one hundred percent (100%).

**5.2 Definition of Net Revenue.** Net Revenue means gross revenues actually received by or on behalf of the parties from the Project, less (a) refunds, chargebacks, and returns; (b) sales, use, and value-added

taxes; (c) payment-processing fees; and (d) direct out-of-pocket costs pre-approved in writing by both parties.

**5.3 Distributions.** Net Revenue shall be distributed Monthly, within fifteen (15) days after the close of each distribution period, accompanied by a written accounting showing gross revenue, deductions, and each Party's share.

**5.2 Expenses.** Only expenses pre-approved in writing by both Parties shall be shared.

**5.3 Records and Audit.** Each Party shall maintain accurate books and records relating to the Project for at least three (3) years following termination. Upon reasonable notice, either Party may, at its own expense and not more than once per calendar year, audit the other Party's records. If an audit discloses an underpayment exceeding five percent (5%), the audited Party shall bear the cost of the audit in addition to remitting the underpayment with interest at the lesser of the contract rate or the maximum lawful rate.

**5.4 Taxes.** Each Party is solely responsible for its own taxes arising from this Agreement. Neither Party withholds for the other. The Parties shall cooperate in good faith to furnish IRS Forms W-9 and, where applicable, 1099-NEC under 26 U.S.C. §6041A.

## 6. Confidentiality

**6.1 Definition.** "Confidential Information" means all non-public information disclosed by one Party ("Disclosing Party") to the other ("Receiving Party"), whether oral, written, or electronic, that is marked confidential or that a reasonable person would understand to be confidential, including business plans, technical information, customer lists, financial data, and Project IP not yet publicly released.

**6.2 Obligations.** The Receiving Party shall: (a) use Confidential Information solely for purposes of the Project; (b) protect it with the same degree of care used for its own confidential information, but not less than reasonable care; (c) restrict access to personnel with a need to know who are bound by equivalent obligations; and (d) not disclose it to any third party without the Disclosing Party's prior written consent.

**6.3 Exclusions.** Confidentiality obligations do not apply to information that: (a) is or becomes publicly available without breach; (b) was known to the Receiving Party before disclosure; (c) is independently developed without reference to the Confidential Information; (d) is rightfully received from a third party without restriction; or (e) is required to be disclosed by law, court order, or regulatory authority, provided the Receiving Party gives prompt notice and cooperates in seeking a protective order.

**6.4 Duration.** The obligations in this Section 6 survive for **3 (three) years** after termination, except that trade secrets shall be protected for so long as they remain trade secrets under the Defend Trade Secrets Act (18 U.S.C. §1836) and applicable state law.

**6.5 DTSA Whistleblower Notice.** Pursuant to 18 U.S.C. §1833(b), no individual shall be held criminally or civilly liable for disclosing a trade secret in confidence to a federal, state, or local government official,

or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law.

**6.6 Publicity.** Neither Party shall issue any press release or public statement referring to this Agreement or the Project without the other Party's prior written consent, except as required by law or stock-exchange rules.

## **7. Exclusivity and Non-Solicitation**

**7.1 Exclusivity.** This Agreement is **non-exclusive**. Each Party may pursue similar collaborations with other persons or entities, including competitors of the other Party, provided such activities do not breach the confidentiality obligations in Section 6.

**7.2 Non-Solicitation.** During the Term and for twelve (12) months thereafter, neither Party shall knowingly solicit for employment any employee of the other Party who was materially involved in the Project. General advertisements not targeted at such employees are permitted.

## **8. Representations, Warranties, and Indemnification**

**8.1 Mutual Representations.** Each Party represents and warrants that: (a) it has full power and authority to enter into and perform this Agreement; (b) execution does not conflict with any other agreement to which it is bound; (c) its contributions do not and will not infringe any third-party intellectual property or other rights; (d) it shall comply with all applicable laws, rules, and regulations, including anti-bribery laws (e.g., the Foreign Corrupt Practices Act, 15 U.S.C. §§78dd-1 et seq.); and (e) it is not, and is not owned or controlled by, any person or entity subject to U.S. sanctions administered by OFAC or otherwise prohibited from transacting under U.S. law.

**8.2 Indemnification.** Each Party ("Indemnitor") shall indemnify, defend, and hold harmless the other Party and its officers, directors, employees, and agents (collectively, "Indemnitees") from and against any third-party claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of: (a) the Indemnitor's breach of this Agreement; (b) the Indemnitor's gross negligence or willful misconduct; or (c) infringement claims arising from the Indemnitor's Background IP or contributions.

**8.3 Procedure.** The Indemnitee shall give prompt written notice of any claim, tender defense to the Indemnitor, and cooperate reasonably. The Indemnitor shall not settle any claim without the Indemnitee's prior written consent if such settlement imposes non-monetary obligations on the Indemnitee.

**8.4 Insurance.** Each Party shall maintain, at its own expense, commercial general liability insurance with limits of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate, and shall provide a certificate of insurance upon reasonable request.

## 9. Limitation of Liability

EXCEPT FOR (A) BREACH OF CONFIDENTIALITY, (B) INDEMNIFICATION OBLIGATIONS, (C) INFRINGEMENT OF THE OTHER PARTY'S INTELLECTUAL PROPERTY, AND (D) GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS, LOST REVENUE, OR LOSS OF BUSINESS OPPORTUNITY, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EACH PARTY'S AGGREGATE LIABILITY UNDER THIS AGREEMENT SHALL NOT EXCEED THE GREATER OF (I) AMOUNTS ACTUALLY RECEIVED BY SUCH PARTY UNDER THIS AGREEMENT IN THE TWELVE (12) MONTHS PRECEDING THE CLAIM, OR (II) TEN THOUSAND DOLLARS (\$10,000).

## 10. General Provisions

**10.1 Independent Contractors; No Partnership.** The Parties are independent contractors. Nothing in this Agreement creates, or shall be construed to create, a partnership, joint venture, agency, fiduciary, franchise, or employment relationship between the Parties. Neither Party has authority to bind, obligate, or represent the other. The Parties expressly disclaim any intent to form a partnership under the Uniform Partnership Act or any analogous state law, notwithstanding any profit-sharing arrangement under this Agreement.

**10.2 Governing Law.** This Agreement shall be governed by and construed under the laws of the State of [STATE], without regard to its conflict-of-laws principles.

**10.3 Mediation.** Before initiating any litigation or arbitration (except for claims seeking injunctive relief), the Parties shall attempt in good faith to resolve any dispute through mediation administered by a mutually agreed mediator. The mediation shall be confidential and non-binding.

**10.4 Binding Arbitration.** Any dispute not resolved by mediation shall be settled by binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, before a single arbitrator. Judgment on the award may be entered in any court of competent jurisdiction. Either Party may seek provisional injunctive relief in a court of competent jurisdiction pending arbitration.

**10.6 Attorneys' Fees.** The prevailing Party in any action to enforce this Agreement shall be entitled to recover its reasonable attorneys' fees and costs.

**10.7 Notices.** All notices shall be in writing and delivered by hand, certified mail, overnight courier, or email with confirmation to the addresses listed above (or as updated in writing).

**10.8 Assignment.** Neither Party may assign this Agreement without the other's prior written consent, except to a successor by merger, acquisition, or sale of substantially all of its assets. Any purported assignment in violation of this Section is void.

**10.9 Force Majeure.** Neither Party shall be liable for any delay or failure to perform (other than payment obligations) caused by acts of God, war, terrorism, pandemic, government action, labor disputes, or other causes beyond its reasonable control.

**10.10 Severability; Entire Agreement; No Oral Modification; Counterparts; Electronic Signatures.**

If any provision is held invalid, the remaining provisions continue in effect. This Agreement is the entire agreement between the Parties with respect to its subject matter and supersedes all prior and contemporaneous agreements. It may be modified only in a writing signed by both Parties. It may be executed in counterparts, and electronic signatures are valid under the federal E-SIGN Act (15 U.S.C. §7001 et seq.) and the Uniform Electronic Transactions Act as adopted in the governing state.

**Signatures**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

**PARTY A: [FIRST PARTY S FULL LEGAL NAME]**

**Party A**

\_\_\_\_\_ PRINTED NAME

\_\_\_\_\_ SIGNATURE

\_\_\_\_\_ DATE

**PARTY B: [SECOND PARTY S FULL LEGAL NAME]**

**Party B**

\_\_\_\_\_ PRINTED NAME

\_\_\_\_\_ SIGNATURE

\_\_\_\_\_ DATE