

LAKON CO-FOUNDER PARTNERSHIP AGREEMENT

Effective Date: _____, 2026

PARTIES

This Co-Founder Partnership Agreement (“Agreement”) is entered into as of the Effective Date above, by and among:

- **Colby Taylor** (“Taylor”), Chief Operating Officer / Chief Technology Officer
- **Eddie Burgos** (“Burgos”), Chief Financial Officer
- **Cole Bailey** (“Bailey”), Chief Marketing Officer

Collectively referred to herein as the “Founders” and individually as a “Founder.”

RECITALS

The Founders wish to form and operate a company under the name **LAKON** (the “Company”), a Software-as-a-Service platform serving online fitness coaches and athletes, and desire to set forth their respective roles, responsibilities, ownership interests, compensation structure, and governance rights.

ARTICLE 1 – COMPANY FORMATION

1.1 Entity. The Founders agree to form a limited liability company or corporation (the “Entity”) under a jurisdiction to be mutually agreed upon within thirty (30) days of the Effective Date of this Agreement.

1.2 Business Purpose. The Company’s purpose is to develop, market, and operate a coaching SaaS platform — including Lakon Coach (coaching OS), Lakon App (client companion app), Lakon Community (social layer), and related products.

1.3 Principal Office. The principal place of business shall be determined by mutual agreement of the Founders.

ARTICLE 2 – EQUITY AND OWNERSHIP

2.1 Equity Split. The Founders’ equity interests in the Company shall be divided equally, as follows:

Founder	Role	Equity Interest
Colby Taylor	COO / CTO	33.33%
Eddie Burgos	CFO	33.33%
Cole Bailey	CMO	33.34%
Total		100%

2.2 Equal Distributions. All partner take-home distributions shall be split equally among the three Founders (one-third each), regardless of role, consistent with the equal ownership structure above.

2.3 Vesting Schedule. Each Founder’s equity shall vest over a period of four (4) years with a one (1) year cliff, meaning no equity vests in the first twelve months and 25% vests at the one-year mark, with the remainder vesting monthly over the following thirty-six (36) months. Unvested equity is subject to forfeiture upon voluntary departure or removal for cause.

2.4 Anti-Dilution. All Founders shall have pro-rata rights to participate in future equity rounds to maintain their respective ownership percentages, subject to terms of any future investment agreements.

ARTICLE 3 — ROLES AND RESPONSIBILITIES

3.1 Chief Operating Officer / Chief Technology Officer — Colby Taylor

Colby Taylor shall serve as COO and CTO of the Company and shall be responsible for:

- Managing the technology and AI infrastructure powering the Lakon platform
- Ensuring system uptime, reliability, and performance
- Owning the end-to-end client (coach) experience — platform functionality, feature reliability, and seamless UX
- Leading bug resolution, platform updates, and product evolution
- Overseeing day-to-day business operations
- Building and managing the Company's technical team as the organization scales
- Reporting operational and technical status to the Founder group on a regular cadence

3.2 Chief Financial Officer — Eddie Burgos

Eddie Burgos shall serve as CFO of the Company and shall be responsible for:

- Leading all financial operations of the Company
- Preparing and presenting quarterly financial reports to the Founder group
- Managing and enforcing financial targets, including minimum cash reserves and fund disbursement policies
- Overseeing capital allocation decisions, including investment of retained earnings (e.g., short-term Treasury instruments or equivalents)
- Reviewing and resolving expense issues
- Managing and reporting on cost of service, gross profit margins, and net margins
- Maintaining financial records and ensuring compliance with applicable accounting standards

- Leading financial due diligence in connection with any fundraising, acquisition, or material transaction
- Managing the Company’s transition to S Corporation status when revenue thresholds are reached (see Article 5)

3.3 Chief Marketing Officer — Cole Bailey

Cole Bailey shall serve as CMO of the Company and shall be responsible for:

- Serving as a primary public face and brand ambassador of the Company
- Overseeing all marketing strategy, advertising campaigns, and creative production (including video, social, and content)
- Driving client acquisition and managing growth channels
- Leading partnership development and strategic relationship building
- Managing client success post-onboarding, including follow-up outreach to gather feedback and build long-term relationships
- Converting client feedback and results into testimonials and case studies for marketing use
- Reporting marketing performance metrics (CAC, LTV, conversion rates) to the Founder group on a regular cadence

ARTICLE 4 — REVENUE-BASED PAYOUT STRUCTURE

4.1 Tiered Monthly Distribution Schedule. Partner distributions shall be determined each calendar month based on total gross monthly revenue, according to the following tiered schedule:

Revenue Tier	Monthly Gross Revenue	Partner Distribution	Company Retention
Tier 1	\$0 - \$5,000	30%	70%
Tier 2	\$5,001 - \$10,000	45%	55%
Tier 3	\$10,001 - \$25,000	60%	40%
Tier 4	\$25,001+	—	—

Revenue Tier	Monthly Gross Revenue	Partner Distribution	Company Retention
		See Article 5 (S Corp / Salary structure)	

Illustrative Examples: - At \$4,000 revenue (Tier 1): \$1,200 to partners (\$400 each); \$2,800 retained. - At \$8,000 revenue (Tier 2): \$3,600 to partners (\$1,200 each); \$4,400 retained. - At \$20,000 revenue (Tier 3): \$12,000 to partners (\$4,000 each); \$8,000 retained.

4.2 Distribution Timing. Partner distributions shall be calculated and disbursed within fifteen (15) days following the close of each calendar month, based on actual collected revenue as reported by the CFO.

4.3 Retained Earnings. All funds retained by the Company (the non-distributed portion) shall be held in a Company operating account. The CFO is authorized to allocate retained funds to operating expenses, marketing budgets, and short-term investments (e.g., Treasury instruments) in accordance with a cash management policy approved by the Founders.

4.4 Payout Cap. Partner distributions shall not exceed 60% of monthly gross revenue in any Tier 3 month, unless a Performance Bonus applies under Article 4.5.

4.5 Quarterly Performance Bonus. In the event the Company achieves qualifying revenue growth from one quarter to the next, each Founder shall be eligible for a one-month performance bonus distribution, as follows:

- **Eligibility:** Applies only when monthly revenue is in Tier 3 (\$10,001-\$25,000) or above.
- **Trigger:** Quarter-over-quarter revenue growth of 8% or more (exact threshold subject to Founder vote; see Article 6).
- **Bonus Distribution:** For one (1) calendar month following the qualifying quarter, partner distributions may increase to up to 70% of monthly gross revenue for that month.
- **Duration:** Bonus applies for one month only and does not carry forward.
- **Approval:** Bonus eligibility shall be confirmed by the CFO and approved by majority Founder vote prior to disbursement.

ARTICLE 5 – S CORPORATION TRANSITION AND SALARIES

5.1 Transition Threshold. When monthly gross revenue consistently reaches or exceeds \$25,000 (defined as three (3) consecutive months at or above this level), the Founders shall initiate conversion of the Company entity to S Corporation status (or such equivalent structure as advised by legal and tax counsel).

5.2 Salary Structure. Upon S Corp conversion, each Founder shall receive a reasonable salary as required by IRS guidelines. Salaries shall be set by unanimous Founder vote and guided by the principle that total Founder compensation (salary + distributions) shall not exceed 60% of gross revenue in any given month, consistent with the Tier 3 distribution cap.

5.3 Profit Distributions Post-Conversion. After payment of Founder salaries and operating expenses, remaining profits may be distributed to Founders pro rata to their equity interests, subject to S Corp distribution rules.

5.4 Margin Target. The Founders agree to manage the business with a target net profit margin of approximately 82%, and shall evaluate operating decisions with the goal of maintaining strong retained earnings for growth and capital investment.

ARTICLE 6 – VOTING AND GOVERNANCE

6.1 Major Decisions. The following decisions require unanimous consent of all Founders:

- Issuance of new equity or admission of new co-founders
- Taking on debt or entering into financing agreements above \$10,000
- Sale, merger, or dissolution of the Company
- Amendment of this Agreement
- Material change to the Company's core business model or revenue structure
- S Corp conversion and salary-setting under Article 5

6.2 Payout Adjustments. The revenue tier percentages, retention ratios, and bonus thresholds set forth in Article 4 may be adjusted by unanimous written vote of all Founders. Any proposed adjustment must be submitted in writing at least seven (7) days before a vote. Adjustments take effect the first day of the calendar month following the vote.

6.3 Operational Decisions. Each Founder has authority to make day-to-day decisions within their defined functional area (as set forth in Article 3) without requiring approval of the other Founders, provided such decisions do not exceed \$2,500 in expenditure or create contractual obligations lasting longer than six (6) months.

6.4 Deadlock Resolution. In the event of a deadlock between Founders on a material decision, the Founders agree to attempt good-faith resolution through discussion within fourteen (14) days. If unresolved, the parties agree to submit the dispute to mediation before initiating any legal action.

ARTICLE 7 — TIME, COMMITMENT, AND EXCLUSIVITY

7.1 Full Commitment. Each Founder agrees to devote their primary professional time and energy to the Company. Any outside business activity that creates a conflict of interest with the Company must be disclosed and approved by the other Founders.

7.2 Non-Compete. During the term of this Agreement and for a period of twelve (12) months following a Founder's departure, no Founder shall directly compete with the Company's core coaching SaaS business within the same market segment.

7.3 Non-Solicitation. For twelve (12) months following departure, a departing Founder shall not solicit the Company's clients, employees, or contractors.

ARTICLE 8 — INTELLECTUAL PROPERTY

8.1 Assignment. All intellectual property created by a Founder in connection with the Company — including code, designs, trademarks, content, and business methods — is hereby assigned to the Company and shall be the exclusive property of the Company.

8.2 Pre-Existing IP. Any intellectual property owned by a Founder prior to the Effective Date that is incorporated into the Company's products shall be licensed to the Company on a perpetual, royalty-free basis, or transferred as otherwise agreed in writing.

ARTICLE 9 — FINANCIAL REPORTING AND TRANSPARENCY

9.1 Monthly Reporting. The CFO shall provide all Founders with a monthly financial summary within fifteen (15) days of month-end, including:

- Total gross revenue collected
- Operating expenses by category
- Partner distributions paid
- Retained earnings balance
- Current cash position

9.2 Quarterly Reporting. The CFO shall provide a quarterly report within thirty (30) days of quarter-end, including year-to-date financials, margin analysis, and quarterly growth rate calculation for bonus eligibility assessment.

9.3 Founder Access. All Founders shall have read access to Company financial accounts and records at all times.

ARTICLE 10 — DEPARTURE, BUYOUT, AND TERMINATION

10.1 Voluntary Departure. A Founder wishing to exit the Company must provide sixty (60) days written notice. Unvested equity shall be forfeited. The

departing Founder's vested equity shall be subject to a right of first refusal by the remaining Founders at fair market value, as determined by mutual agreement or an independent valuation.

10.2 Removal for Cause. A Founder may be removed for cause (including material breach of this Agreement, fraud, or gross negligence) by unanimous vote of the remaining Founders. Upon removal for cause, unvested equity is forfeited and vested equity is subject to buyback at fair market value.

10.3 Death or Incapacity. In the event of a Founder's death or permanent incapacity, their interest shall transfer to their estate or designee, subject to a right of first refusal by the remaining Founders at fair market value.

ARTICLE 11 — CONFIDENTIALITY

Each Founder agrees to maintain in strict confidence all non-public information relating to the Company, its technology, clients, finances, and strategy — both during and after the term of this Agreement.

ARTICLE 12 — GENERAL PROVISIONS

12.1 Governing Law. This Agreement shall be governed by the laws of the State of Utah.

12.2 Entire Agreement. This Agreement constitutes the entire agreement among the Founders with respect to the subject matter herein and supersedes all prior discussions and understandings.

12.3 Amendment. This Agreement may only be amended by a written instrument signed by all Founders.

12.4 Severability. If any provision of this Agreement is found to be unenforceable, the remaining provisions shall remain in full force and effect.

12.5 Counterparts. This Agreement may be executed in counterparts, including by electronic signature, each of which shall be deemed an original.

SIGNATURES

By signing below, each Founder agrees to be bound by the terms of this Agreement.

COLBY TAYLOR – Chief Operating Officer / Chief Technology Officer

Signature: _____ Date: _____

Printed Name: Colby Taylor

EDDIE BURGOS – Chief Financial Officer

Signature: _____ Date: _____

Printed Name: Eddie Burgos

COLE BAILEY – Chief Marketing Officer

Signature: _____ Date: _____

Printed Name: Cole Bailey

APPENDIX A – REVENUE PAYOUT QUICK REFERENCE

Monthly Revenue	Partner %	Each Founder Gets	Company Retains
\$1,000	30%	\$100	\$700
\$4,000	30%	\$400	\$2,800
\$6,000	45%	\$900	\$3,300
\$8,000	45%	\$1,200	\$4,400
\$12,000	60%	\$2,400	\$4,800
\$20,000	60%	\$4,000	\$8,000

Monthly Revenue	Partner %	Each Founder Gets	Company Retains
\$25,000+	Salary structure	TBD	TBD

Performance bonus month (qualifying quarter): up to 70% to partners for one month.

Draft prepared by Jay (Lakon AI Agent) — May 26, 2026. Based on recorded founder sessions dated May 14, 2026. This document is a working framework and should be reviewed by a licensed attorney before execution.