

CALIFORNIA NON-COMPETE AGREEMENT

1. **THE PARTIES.** This Non-Compete Agreement (the "Agreement") made this _____ (mm/dd/yyyy), is made between:

Owner: _____ (the "Owner"), with a mailing address of _____, shall have ownership of this Agreement under which:

Recipient: _____ (the "Recipient"), with a mailing address of _____, shall be bound.

Hereinafter the Owner and the Recipient shall be known separately as a "Party" and together as the "Parties."

This agreement is executed by the Parties in connection with the sale or disposition of all, or of substantially all, the Recipient's ownership interest in _____, including its goodwill, as authorized under California law under the following circumstance: (check one)

- Selling or disposing all of an individual's ownership interest in the business entity.
- Selling all or substantially all of the business entity's operating assets.
- Selling all or substantially all of the operating assets of a subsidiary or division of the business entity.
- Selling all of the ownership interest in any subsidiary.
- The dissolution of an LLC.
- The dissolution of a partnership.

2. **TERM.** The Recipient shall be bound to this Agreement for the following term:

Start Period: (check one)

- Date of _____ (mm/dd/yyyy).
- Beginning immediately after: _____.
- Other: _____.

End Period: (check one)

- Date of _____ (mm/dd/yyyy).
- _____ months after: _____.
- Other: _____.

The Start Period and the End Period shall together be known as the "Term."

3. **GEOGRAPHICAL LIMITS.** The Recipient shall be bound to this Agreement with: (check one)

- NO Geographical Limits.
- Geographical Limits. The Recipient shall be bound to this Agreement ONLY in the following area(s): _____.

Hereinafter known as the "Geographical Limits."

4. **CONSIDERATION.** The Parties agree that the execution of this Agreement is a condition of _____.

5. **NON-COMPETE.** The Recipient is prohibited from engaging in the following behavior and activities:

6. **NON-SOLICITATION.** The Owner shall have the following protections from the Recipient in accordance with this Agreement: (check all that apply)

- Employees. The Recipient shall be prohibited from engaging with any former or current employees, contractors, affiliates, and similar parties of the Owner under which a business relationship has been created.
- Customers. The Recipient shall be prohibited from engaging with any former or current customers, clients, and similar parties of the Owner under which a business relationship has been created.

7. **PURCHASE OF RELEASE.** The Parties agree that the Recipient: (check one)

- Cannot Purchase a Release. The Recipient has no option, during the Term or any period thereafter, to purchase the rights of this Agreement from the Owner for the purposes of waiving any liability or releasing themselves under this Agreement.
- CAN Purchase a Release. The Recipient has the option, during the Term or any period thereafter, to purchase and waive all liability under this Agreement for the sum of _____ (\$ _____) as payment to the Owner.

8. **CONFIDENTIAL INFORMATION.** The Parties agree that the Recipient shall be prohibited from releasing confidential information. The Recipient shall be prohibited from expressing or sharing any and all tangible and intangible information, of and relating to the Owner and [their/its] business, including, but not limited to, all information not generally known to the public, in spoken, printed, electronic, or any other form or medium, relating directly or indirectly to: data or other proprietary information relating to products, inventions, plans, methods, processes, know-how, developmental or experimental work, computer programs, databases, authorship, customer lists (including names, buying habits or practices of any clients), names of vendors or suppliers, marketing methods, reports, analyses, business plans, financial information, statistical information, or any other subject matter pertaining to any business of the Owner or any of its respective clients, consultants, or licensees that is

disclosed to the Recipient under the terms of this Agreement (hereafter "Confidential Information").

The Recipient understands that the above list is not exhaustive, and that Confidential Information also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

- a) Limitations. Confidential Information shall not include information which:
- i.) Has become generally known to the public through no wrongful act by the Recipient;
 - ii.) Has been rightfully received by Recipient from a third party without restriction on disclosure and without breach of an obligation of confidentiality running either directly or indirectly to the Recipient;
 - iii.) Has been approved for release to the general public by written authorization of the Owner;
 - iv.) Has been disclosed pursuant to the requirement of a governmental agency or a court of law without similar restrictions or other protections against public disclosure; or
 - v.) Has been independently developed by the Recipient without use, directly or indirectly, of the Owner's Confidential Information.
- b) Employees and Contractors. The Recipient agrees to disclose Confidential Information to any agents, affiliates, directors, officers, or any other Recipients, collectively known as the "Employees," solely on a need-to-know basis and represents that such Employees have signed appropriate non-disclosure agreements or have taken appropriate measures imposing on such Employees a duty to third parties:
- i.) To hold any third-party proprietary information received by such Employees in the strictest confidence;
 - ii.) Not to disclose such third-party Confidential Information to any other third party; and
 - iii.) Not to use such Confidential Information for the benefit of anyone other than to whom it belongs, without the prior express written authorization of the Owner.
- c) Best Practices. The Recipient acknowledges they may or may not have access to the Owner's Confidential Information and agrees that it shall not directly or indirectly divulge, disclose, or communicate any of the Confidential Information to any third party, except as may be required during any formal business association or dealings on behalf of the Owner for any event, with the prior written approval of the Owner. The Recipient acknowledges that no license of the Confidential Information, by implication or otherwise, is granted to the Recipient by reason of this Agreement. Additionally, the Recipient acknowledges that it may only use the Confidential Information in connection with its business dealings with the Owner and for no other purpose without the prior written consent of the Owner.

- d) Records. The Recipient further agrees that all Confidential Information, including, without limitation, any documents, files, reports, notebooks, samples, lists, correspondences, software, or other written or graphic records provided by the Owner or produced using the Owner's Confidential Information, will be held strictly confidential and returned upon request to the Owner.
- e) Return of Materials. Upon termination or expiration of this Agreement, or upon written request of the Owner, the Recipient shall promptly return to the Owner all physical and digital materials representing the Owner's Confidential Information and all copies thereof. The Owner shall notify the Recipient immediately upon discovery of any loss or unauthorized disclosure of the Confidential Information.

9. GOVERNING LAW. This Agreement is governed by, and construed in accordance with, the laws of the State of California, including its statutes of limitations and Sections 16600 to 16607 of the California Business and Professions Code, without giving effect to any conflict of laws provision that would require or permit the laws of any jurisdiction other than the State of California to apply. Any action or proceeding by either Party to enforce this Agreement shall be brought only in any state or federal court located in the state of California. The Parties hereby irrevocably submit to the jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

10. SEVERABILITY. If any provisions of this Agreement or its applications are held to be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of any other provisions and applications herein shall not in any way be affected or impaired.

11. REMEDIES. Should the Recipient breach any of the provisions of this Agreement, the Recipient agrees to reimburse the Owner for any loss or expenses incurred by the Owner as a result of any prohibited use or activity under this Agreement, including, without limitation, court costs and reasonable attorney's fees incurred by the Owner in enforcing the provisions hereof. The Recipient further agrees that any unauthorized use or activity shall result in irreparable damage to the Owner and that the Owner shall be entitled to an award by any court of competent jurisdiction of a temporary restraining order and/or preliminary injunction against such unauthorized use or activity by the Recipient without the need to post a bond. Such remedies, however, shall not be deemed to be the exclusive remedies for any breach of this Agreement but shall be in addition to all other remedies available at law of equity.

12. ADDITIONAL TERMS (OPTIONAL).

13. ENTIRE AGREEMENT. This Agreement represents the entire agreement between the Parties and may only be modified by the signature of both Parties hereto.

Recipient Signature: _____

Date: _____

Print Name: _____

Owner Signature: _____

Date: _____

Print Name: _____