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## What Is A Teaming Agreement And Is It Enforceable?



Jaelyn Ford, Esq.

Government contracts can be lucrative for many companies, large or small. Often, one company wants to bid on a government contract but needs assistance from another company to fully perform the contracted work. In such cases, the two companies would combine their resources to share the bid and the contract, if awarded. When this situation arises, it is critical to ensure that the companies have a “teaming agreement”, stating how the work set forth in the government contract is to be divided and to protect the interests of each business.

Unfortunately, the problem is that many teaming agreements have been deemed unenforceable by California state courts. Because a teaming agreement is signed before a contract is awarded and whether it takes effect is dependent upon winning the contract, many courts have stated that teaming agreements are “an agreement to agree” in the future instead of a binding contract. This means that a subcontractor could take the time to prepare a bid and enter into an agreement with a primary contractor, and once the government contract is won by the primary contractor, it could decide to use a different subcontractor, leaving little legal recourse for the subcontractor.

While there is no guarantee a court will uphold a teaming agreement, certain provisions in your agreement may enhance the chances of enforceability. A seasoned California business attorney can help you draft, edit or review your teaming agreement so that it is more enforceable in court. Here are some suggestions of what to include:

- Clearly stating the purpose of the agreement and setting a duration for the agreement;
- Describing in detail the scope of work to be done by subcontractors and the pricing for that work;
- Stating the primary contractor “shall” team up with the subcontractor if awarded the government contract;
- Including a provision that allows the primary contractor to terminate the teaming agreement only if the contract is not won.

If a teaming agreement is desirable, it is essential to have it drafted, reviewed, and negotiated by an experienced business attorney prior to signing. In addition, you should have an experienced business litigation lawyer on your side if a party violates your teaming agreement, as these cases can be quite complex.



## Success Story

SLG recently achieved very quick results in stopping a client’s competitor from using the client’s trademark without permission. The impermissible use was costing the client business due to the confusion in the marketplace. Using an aggressive approach, SLG got results fast by getting the other side to change the infringing material before a lawsuit needed to be filed. By getting a fast result, the client greatly benefited in its business. SLG prides itself on developing cost-effective strategies that advance our clients’ interests.

## What Are Escape Clauses In California Real Estate?



Rakesh Ramde, Esq.

Real estate transactions are complex and often involve valuable property and a significant sum of money. Since many things can go wrong in a real estate transaction, real estate contracts include many different provisions and clauses that can come into play during the course of the deal or transaction. It is often wise to have an experienced California real estate attorney draft or review any contracts.

These escape clauses allow the buyer to withdraw from the transaction if certain circumstances arise and the seller has proper notice that the contract is contingent upon these clauses.

Some examples of common escape clauses in real estate contracts include the following:

- Financing contingency - This allows a buyer to escape a real estate contract if they are unable to secure the necessary financing for the purchase. However, for this type of escape clause to be fair, a buyer should believe they have the reasonable qualifications to obtain the loan before going into the contract.
- Inspection contingency - This clause allows the buyer to obtain the results of an inspection or more complex due diligence of the property and to withdraw from the contract should certain undisclosed defects be discovered through inspection of the property.
- Sale of existing home contingency - In some instances, a buyer will want to ensure they can sell their current home before moving forward with the new purchase to avoid having two mortgages.

Real estate buyers understandably want to be aware of the conditions and known risks of the property they are purchasing to ensure the transaction will not unknowingly cost them more money than anticipated. On the other hand, if a real estate seller enters into a contract with a particular buyer and stops soliciting other buyers, it can lose out on opportunities if that buyer suddenly backs out of the deal.

To protect buyers while also protecting the interests of sellers, many real estate contracts in California have one or more “escape clauses”.

## Summertime Word Search

### Summertime Fun

T	B	U	C	E	R	S	I	A	H	M	O	T	H
I	S	H	M	C	N	T	R	S	E	R	T	U	I
U	R	G	O	I	O	E	S	E	A	V	A	Y	C
S	L	B	R	N	L	M	U	R	T	C	S	L	E
G	O	B	E	C	E	B	N	U	G	T	I	I	C
N	N	Q	B	I	M	M	S	T	U	U	S	M	R
I	M	E	E	P	R	G	H	C	E	O	N	A	E
H	E	G	A	W	E	R	I	I	S	K	O	F	A
T	M	R	C	T	T	A	N	P	E	O	I	S	M
A	O	I	H	R	A	S	E	A	R	O	T	M	I
B	R	L	Y	I	W	S	U	S	O	C	A	R	S
I	I	L	A	P	Y	C	C	A	M	G	C	O	W
T	E	P	L	P	O	O	L	M	S	G	A	I	I
S	S	C	P	C	F	T	C	I	A	Y	V	A	M

- WATERMELON
- HEAT
- FAMILY
- VACATION
- SMORES
- PICNIC
- BBQ
- COOKOUT
- MEMORIES
- PICTURES
- GRASS
- GRILL
- POOL
- SWIM
- BATHING SUIT
- ICE CREAM
- PLAY
- BEACH
- SUNSHINE
- TRIP



## Congratulations Super Lawyer & Rising Star



Mark Figueiredo, Esq.

# CONGRATULATIONS!



Jaclyn Ford, Esq.

SLG is pleased to announce that Mark Figueiredo has been selected as a 2017 Super Lawyer for his outstanding work in the area of Mergers & Acquisitions. This is his sixth year receiving this honor. His mergers and acquisitions practice has included the sale and acquisition of businesses, including both asset and stock transactions. He has also advised on all phases of transactions from preliminary discussions and negotiations, through due diligence, closing and post-closing phases, and also advises on a variety of commercial financings from straight debt and convertible debt financings to angel investment and venture-backed funding.

Jaclyn Ford has been designated as a 2017 Rising Star for her outstanding work in the area of Employment and Labor Law for the second year in a row. Ms. Ford represents businesses and business owners in all aspects of employment and labor law and business litigation. She drafts and reviews various employment documents such as employee contracts, severance agreements, and workplace policies and procedures (employment handbooks). She also advises businesses on compliance with local, state, and federal labor and employment laws. In court, she represents her clients in employment claims, partnership disputes, contractual disputes, and the like.

## Employment Corner

## Must Have Summer Treat

### California Minimum Wage Adjustments

California has a legislative plan in effect that aims to raise the minimum wage across the state to \$15.00 per hour by the start of 2022 for most businesses and by 2023 for smaller businesses. There is one set of guidelines for companies that employ 26 or more individuals and another set for companies with 25 or fewer.

However, depending on where you conduct your business, a higher minimum wage may apply than what has been enacted by the California legislature, as many cities across the state have increased the minimum wage on their own. For example, San Francisco raised its minimum wage to \$13.64, which will increase to \$14.00 per hour on July 1, 2017. San Jose's minimum wage is currently \$10.50 for all employers and will increase to \$12.00 per hour on July 1, 2017.

### SANGRIA POPSICLE

#### Ingredients:

- 1 bottle white wine
- 1/2 cup cherry juice
- 1/2 cup apple juice
- Sliced mixed fruit

#### Instructions:

- Combine wine and juices
- Fill popsicle molds with fruit
- Pour wine mix over fruit
- Freeze for 24 hours

Enjoy!





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### DID YOU KNOW?

- The first Independence Day was celebrated on July 8, 1776.
- Peanut butter can be converted into a diamond.
- Honey never spoils.
- Bolts of lightning can shoot out of an erupting volcano.
- Messages from your brain travel along your nerves up to 200 mph.
- The White House held its first 4th of July party in 1801.



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Katya Mezek, Esq.



Gokalp Gurer, Esq.

Check out our blog! [www.SanJoseBusinessLawyersBlog.com](http://www.SanJoseBusinessLawyersBlog.com)  
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