

SC LAUNCH, INC. CONVERTIBLE NOTE TERM SHEET

The following is a summary of the principal terms with respect to the proposed convertible debt financing investment of [NAME OF COMPANY], a [STATE OF INCORPORATION OR ORGANIZATION][CORPORATION OR LIMITED LIABILITY COMPANY] (the "Company") by SC Launch, Inc. (the "Investor"). Except for the section entitled "General Terms," no legally binding obligations will be created until definitive agreements are negotiated, prepared, executed and delivered by all parties, and neither party will have any obligation to negotiate further with the other, execute or deliver any agreements, or consummate any transaction. This Memorandum is not a commitment to invest, and is conditioned on the completion of due diligence, legal review and documentation that is satisfactory to Investor.

I. Investment

Investor: SC LAUNCH, INC.

Investment: \$ _____

Securities to Issue: Convertible Note

Maximum Conversion Value: \$ _____

Capitalization Table: (to be attached as Exhibit A)

Target Closing Date: _____

Use of Proceeds: Proceeds will be used for working capital and shall not be used for repayment of Company debt.

Interest Rate: The Note will have a non-compounding simple interest rate that adjusts quarterly. The rate will be the Prime Rate as published in the WSJ plus 2.00%, with a floor of 5.00%.

**Maturity; Conversion;
Conversion Price:**

The Note will have a maturity date that is 36 months after the Closing. At any time, the Investor can extend the maturity date, or require the Company to make interest payments after the maturity date, or, with no less than 60 days' notice, pay the Note in full after the maturity date. The Note will automatically become due on a sale of the company, unless the Investor exercises its option to convert the Note.

The Note will be convertible into preferred stock. If the Company completes a qualified sale of preferred stock with \$1 million or more of proceeds, the Note will convert automatically into the stock sold in the qualified stock sale. If the Company sells preferred stock but does not complete a qualified stock sale, the Investor has the option to convert the Note into the stock issued by

the Company or, after maturity or upon a sale of the company, the Investor has the option to convert the Note into shares of a special series of preferred stock. The Company will be required to authorize the amendment of its articles of incorporation to provide for the special series of preferred stock prior to entering into the definitive agreement.

The conversion price will be the lesser of (a) 85% of the price per share paid by other investors in the sale(s) that triggered the conversion, if any, or (b) the price per share equal to the quotient of the Maximum Conversion Value divided by the fully diluted capital of the Company.

Prepayment:

The Company cannot prepay or redeem the Note.

Default:

The Investor will have the discretion to demand payment of the Note in full prior to the Maturity Date upon a default by the Company.

Information Rights:

The Company will deliver to Investor at least 30 days prior to the beginning of each fiscal year, copies of its annual budget and business plan for the upcoming fiscal year and, within 120 days following the end of each fiscal year, financial reports prepared in accordance with U.S. generally accepted accounting principles. During each fiscal year, the Company will submit quarterly financial reports no later than 45 days after the end of each of the first three fiscal quarters. The Company will allow Investor reasonable access, during normal business hours, to the Company's premises and records and reasonable opportunity to discuss the Company's affairs, finances and accounts with the Company's officers.

Negative Covenants:

While the Note is outstanding, the Company will agree not to enter into certain capital transactions, pledge all of its assets or make certain amendments of its organizational documents. Without the approval of disinterested directors, the Company shall not enter into any agreement or transaction with any of its shareholders, officers or directors, or any individual related by blood or marriage to any such person or any entity in which any such person owns a beneficial interest (other than a non-controlling interest in a public company).

Relocation Fee:

The Company will agree not to move or relocate the Company's principal office or principal place of business outside the State of South Carolina, or have more than one-half, based on payroll expenses, of the Company's total employees, or senior management employees, or employees engaged principally in

professional research and development, employed at locations outside of the State of South Carolina for a period of five years without having first paid Investor a relocation fee equal to the amount of the Investor's investment. Payment of the relocation fee will not affect Investor's Note or any equity interest.

Right of First Refusal and Co-Sale Rights:

The Investor shall be given a right of first refusal to purchase any Company security that a founder intends to sell to a third party, and an opportunity to participate in sales of the Company's securities by any founder.

Participation Rights:

Investor shall have the right, in the event the Company proposes to offer equity securities to any person, to purchase up to its pro rata portion of such securities (calculated based on the fully diluted outstanding equity of the Company).

Registration Rights:

Standard "piggyback" Registration Rights.

Purchase Agreement:

The investment shall be made pursuant to a Purchase Agreement acceptable to the Company and the Investor, which agreement shall contain, among other things, appropriate representations and warranties of the Company and covenants of the Company reflecting the provisions set forth herein.

Conditions to Closing:

Standard conditions to closing, which shall include, among other things, satisfactory completion of financial and legal due diligence, and preparation, approval and execution of closing documents.

II. General Terms

Fees and Expenses:

Each party will pay for its own attorney's fees and other expenses incurred for this transaction together with other reasonable due diligence and out of pocket expenses.

Governing Law:

This Memorandum of Terms and all disputes and claims arising out of or in connection with it (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of the state of South Carolina, notwithstanding any conflict of law provisions which would require the application of laws of any other state.

Expiration:

This Memorandum of Terms shall expire and be deemed null and void if not mutually signed by the parties within seven days of first delivery to the Company.

Acknowledged and Agreed to by:

[NAME OF COMPANY]

By: _____

Name: _____

Title: _____

Date: _____

SC LAUNCH, INC.

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A - Capitalization Table

[To Be Attached]

CONVERTIBLE NOTE AGREEMENT

THIS CONVERTIBLE NOTE AGREEMENT (“Agreement”) is made as of the ___ day of _____, 20___, by and among the key holders listed on Schedule I (solely for the purpose described on Schedule I)(collectively, the “Key Holders”), SC LAUNCH, INC., a South Carolina nonprofit corporation (“SC Launch”) with an office at 1000 Catawba Street, Columbia, South Carolina 29201, and _____ (the “Company”), a corporation under the laws of the state indicated on Schedule II (the “State of Incorporation”), with an office at the address set forth on Schedule II.

WITNESSETH

WHEREAS, the Company is engaged in the business described on Schedule II (the “Company Business”) and has need of capital financing to sustain and expand the Company Business; and

WHEREAS, SC Launch has been incorporated exclusively for scientific, educational, charitable and other public purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 and to support the mission of the South Carolina Research Authority under South Carolina Code § 13-17-87 to establish research innovation centers and provide financing to qualified companies; and

WHEREAS, the Company has been admitted as a qualified company to one of SC Launch’s centers and desires for SC Launch to provide capital financing to the Company in accordance with the terms and conditions of this Agreement, and SC Launch has approved the Company to receive such financing.

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and SC Launch agree as follows:

ARTICLE I THE SECURITIES

1.1 Convertible note. The Company agrees to issue to SC Launch a convertible note in the form attached hereto as Exhibit A (the “Note”) in the face amount set forth on Schedule II; and SC Launch agrees to make an initial advance (an “Advance”) to the Company under the Note in the amount set forth on Schedule II, and SC Launch may in its sole discretion in the future make additional Advances under the Note, any of which may be made in cash or in consideration of cancellation by SC Launch of the principal and interest payable by the Company to SC Launch under existing indebtedness, if any, or any combination thereof. The Company further agrees to use the initial Advance only for the uses set forth on Schedule II, and to use any future Advances only for any uses specified by SC Launch at the time of the Advance. The terms and conditions of the Note are incorporated into this Agreement as if fully repeated herein. This Agreement, the Note and all other documents and instruments executed by the Company which may be reasonably

required by SC Launch are hereinafter sometimes referred to collectively as the “Financing Documents.”

1.2 Preferred Stock. The Note shall be convertible in accordance with its terms and conditions into shares of the Company’s Series Seed Preferred Stock as described on the attached Exhibit B (the “Series Seed Preferred Stock”) or other preferred stock (together with the Series Seed Preferred Stock, the “Preferred Stock,” and together with the Note, the “Securities”). Any agreed-upon maximum conversion value (the “Maximum Conversion Value”) is set forth on Schedule II.

ARTICLE II REPRESENTATIONS AND WARRANTIES OF THE COMPANY

2.1 Warranties. In order to induce SC Launch to enter into and execute this Agreement and to make the initial Advance and any future Advances under the Note, the Company represents and warrants to SC Launch that the statements contained in this Article II are true and correct as of the date hereof and as of any future date on which the Company accepts an Advance from SC Launch.

A. Authorization of Series Seed Preferred Stock. A certificate of designations in the form attached hereto as Exhibit B has been properly authorized and, promptly upon the Company becoming obligated to issue Series Seed Preferred Stock hereunder, will be filed as an amendment to the Company’s articles of incorporation with the Secretary of State of the Company’s State of Incorporation.

B. Complete disclosure. No representation or warranty of the Company contained in this Agreement or any of the Financing Documents, and no statement contained in any certificate, schedule, list, financial statement or other instrument, document or communication furnished to SC Launch by or on behalf of the Company, taking into consideration the total mix of information made available, contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained herein or therein not misleading.

2.2 Survival. All warranties and representations of the Company contained herein shall survive the execution of this Agreement and the issuance of the Note and any Advances thereunder.

ARTICLE III COVENANTS OF THE COMPANY

3.1 Affirmative covenants. The Company will at all times while any of the Securities are outstanding:

A. Financial and business information. Deliver the following to SC Launch:

(i) Financial Statements and Information. At least 30 days prior to the beginning of each fiscal year, copies of its annual budget and business plan for the upcoming fiscal year. Within 120 days following the end of each fiscal year, the Company will deliver financial

reports prepared in accordance with U.S. Generally Accepted Accounting Principles. During each fiscal year, the Company will submit quarterly financial reports no later than 45 days after the end of each of the first three fiscal quarters. The Company will allow SC Launch reasonable access, during normal business hours, to the Company's premises and records and reasonable opportunity to discuss the Company's affairs, finances and accounts with the Company's officers.

(ii) Shareholders' meetings and communications. Provide SC Launch with a copy of all written notices of shareholders' meetings and all materials or communications provided generally to shareholders, including, without limitation, forms of actions without meeting, all at the same time such notices, materials, communications or forms are provided to shareholders; and permit representatives of SC Launch to attend any and all meetings of the shareholders.

(iii) Requested information. With reasonable promptness, the Company shall furnish SC Launch with such other data and information as from time to time may be reasonably requested, but not any trade secrets or attorney-client privileged information of the Company or protected confidential information of third parties.

B. Notices. Promptly give to SC Launch written notice of:

- (i) any default or event of default by the Company of any material contractual obligation;
- (ii) any litigation or similar proceeding to which the Company is a party;
or
- (iii) any event or circumstance which has had, or is reasonably likely to have, a material adverse effect on the Company or the Company Business.

C. Further assurances. Execute such documents and other papers and take such further actions as may be reasonably required or desirable to carry out the provisions of this Agreement and the other Financing Documents and all of the transactions contemplated hereby.

3.2 Negative covenants. The Company will not for so long as the Note is outstanding, without prior written consent of SC Launch:

A. Capital transactions; pledges and Status Changes. Enter into, or agree to Enter into any merger, consolidation, share exchange, reorganization or recapitalization, or liquidate, sell, lease, transfer, or otherwise dispose of all or any substantial part of its assets, whether now owned or hereafter acquired, or pledge or grant a general security interest in all or substantially all of its assets, change its jurisdiction of incorporation or its corporate or tax status.

B. Organizational documents. Amend, modify or change its articles of incorporation or bylaws, including, without limitation, the filing of certificates of designation for

any class or series of stock, in each case, in any respect materially adverse to the interests of SC Launch under this Agreement.

C. Related party transactions. Engage in transactions in which any director, officer or promoter of the Company, or any stockholder who owns more than 10% of any class of the Company's outstanding capital stock, or any relative or spouse of any of the foregoing, or any relative of such spouse, or any entity or organization that is affiliated with or controlled by any of the foregoing, has a direct or indirect interest (a "Related Interest"), except (i) transactions for which the material facts of the transaction and the Related Interest were disclosed or known to the board of directors of the Company, and a majority of the members of the board of directors, who are not employees of the Company and who have no Related Interest, approved the transaction, but a transaction may not be approved by a single director; (ii) compensation paid to employees in amounts as disclosed on Schedule II; (iii) reimbursements for properly documented, ordinary and customary business expenses; or (iv) employee benefits provided generally to all employees of the Company. The term "transactions" for purposes of this provision includes, without limitation, any form of compensation, such as the grant of any option, warrant or right, or exercisable, exchangeable or convertible security, and any personal use of corporate assets or other perquisites.

3.3 Relocation.

A. Company relocation. The Company acknowledges that funds are made available to it under this Agreement in whole or in part for the purpose of economic development for the State of South Carolina and particularly for generating professional research and development jobs in South Carolina. SC Launch has limited funds to make available to applicants, thus, to the extent SC Launch makes funds available to the Company, SC Launch may lose the opportunity to make those funds available to other applicants or participants in the SC Launch program. In addition, SC Launch incurs considerable expenses providing support services for its client companies. If the Company relocates from South Carolina after receiving funds from SC Launch, SC Launch and the State of South Carolina will suffer considerable harm, including potential lost jobs and wages for South Carolina citizens, lost tax revenue, wasted costs associated with providing support services, and lost opportunity costs had those funds and resources been made available to other companies. Accordingly, the Company agrees for a period of five years from the latest date of any Advance under this Agreement, that it shall not either (a) move or relocate the Company's principal office or principal place of business outside the State of South Carolina, or (b) have more than one-half, based on payroll expenses, of the Company's total employees, or senior management employees, or employees engaged principally in professional research and development, employed at locations outside of the State of South Carolina, (any of which shall be deemed a "Company Relocation"), unless the Company has paid SC Launch a Relocation Fee as set forth below. Before any Sale of the Company (as defined below), the Company, or its prospective successor or assignee, as applicable, will provide confirmation to SC Launch that the obligations of the Company to pay a Relocation Fee will continue or be assumed, as applicable, after the Sale of the Company, subject to any modifications of those obligations as may be agreed upon by SC Launch.

A "Sale of the Company" shall include and shall be deemed to have occurred upon a single transaction or a series of related transactions resulting in (a) a change of Control (as defined below)

of the Company; or (b) a sale, lease, transfer or other disposition of all or substantially all of the assets of the Company. “Control” shall mean: (a) ownership, directly or indirectly, by a person, entity or group acting in concert of equity interests entitling it to exercise in the aggregate more than 50% of the voting power of the Company; or (b) the possession of a person, entity or group acting in concert of the power, directly or indirectly: (i) to elect a majority of the board of directors (or equivalent governing body) of the Company; or (ii) to direct or cause the direction of the management and policies of or with respect to the Company, whether through ownership of interests, by contract or otherwise.

B. Relocation fee. The “Relocation Fee” will be an amount equal to the aggregate amount of all Advances made by SC Launch to the Company. SC Launch will continue to retain any Securities or other interests it holds in the Company after payment of such fee and this Agreement will continue in full force and effect. The parties acknowledge that the adverse impact to SC Launch and the State of South Carolina, including potential lost jobs and wages for South Carolina citizens, lost tax revenue, wasted costs associated with providing support services, the lost opportunities had those funds and resources been made available to other companies, and other tangible and intangible harm, of a Company Relocation are not susceptible to precise measurement. The parties hereby agree that the Relocation Fee is not a penalty, but rather, a good-faith estimate of the amount necessary to compensate SC Launch for the adverse impact and harm to it in connection with a Company Relocation. The Relocation Fee is payable whether the Note is still outstanding or has been repaid.

C. Costs and fees. Should SC Launch, at its sole option, elect to employ the services of any attorney at law to represent it in the enforcement of the Company’s obligations under this Section 3.3, the Company will reimburse SC Launch the reasonable fees and expenses of said attorneys and any court costs.

3.4 Right of First Refusal and Co-Sale Right. SC Launch will have the right of first refusal to purchase any securities of the Company proposed to be transferred by any Key Holder on the same terms offered by the Key Holder to a third party. If SC Launch fails to exercise its right within 30 days after written notice of the proposed transfer from the Key Holder including all of the proposed terms of the transfer and the identity of the transferee, the Key Holder may, within a period of 30 additional days, transfer the securities to the identified third party on the same terms offered to SC Launch, subject to the co-sale right described below. To the extent that SC Launch does not exercise its right of first refusal, SC Launch may, during the 30 days after written notice of the proposed transfer from the Key Holder, give written notice to the Key Holder of SC Launch’s desire to exercise its right of co-sale. SC Launch’s right of co-sale will entitle SC Launch to substitute its shares for the shares of stock to be transferred by the Key Holder, up to the total number of shares to be transferred by the Key Holder. If SC Launch does not hold shares of Preferred Stock, SC Launch may immediately exercise its option to convert the Note into Series Seed Preferred Stock under Section 2(b)(ii) of the Note and substitute shares of Series Seed Preferred Stock for the shares of stock to be transferred by the Key Holder.

3.5 Participation Rights. SC Launch shall have a reasonable right, in the event the Company proposes to offer equity securities, or securities convertible into or carrying a right to subscribe for or acquire equity securities, to any person, to purchase up to SC Launch’s pro rata

portion of such securities (calculated based on the fully diluted outstanding stock of the Company) on uniform terms and conditions.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SC LAUNCH

4.1 General representations and warranties from SC Launch. SC Launch represents and warrants to the Company as follows:

A. Investment; no resale or distribution. It is acquiring or will acquire the Securities for its own account, for investment, and not with a view towards the resale, transfer, or distribution thereof, nor with any present intention of distributing the Securities.

B. Accredited investor; residence. It is an “Accredited Investor” within the meaning of Rule 501(a) under the Securities Act of 1933, as amended. Its principal office is located within the State of South Carolina.

ARTICLE V COVENANTS OF SC LAUNCH

5.1 Compliance with securities laws. SC Launch will not, directly or indirectly, sell any of the Securities or any shares of common stock that are issued upon conversion of Preferred Stock, unless such sale is made pursuant to either (i) an effective registration statement under the Securities Act of 1933, as amended (the “Securities Act”), and any applicable state securities laws or (ii) an available exemption from the registration requirements of the Securities Act and such laws and, prior to any such sale, SC Launch provides to the Company a written opinion of legal counsel reasonably satisfactory in form and substance to the Company to the effect that the proposed sale may be effected without registration under the Securities Act and any applicable state securities laws.

5.2 Right of first offer. In addition to the sale restrictions set forth above, SC Launch will not, directly or indirectly, sell any of the Securities or any shares of common stock that were issued upon conversion of Preferred Stock, without first offering to the Company an assignable right to purchase all, but not less than all, of the securities proposed to be sold by written notice (the “Offer Notice”); provided, however, that notwithstanding anything herein to the contrary, in no event shall the provisions of this Section apply to any transfer of securities to any affiliate (within the meaning of Rule 405 under the Securities Act) of SC Launch.

A. First offer notice. The Offer Notice shall specify (i) the securities proposed to be sold (the “Offer Securities”), (ii) the price at which they are offered, and (iii) any other material terms of the proposed offer.

B. First offer period. The Company may exercise its right to purchase by giving written notice to SC Launch within 30 days following the delivery of the Offer Notice (the “First Offer Period”).

C. Acceptance of first offer. If the Company elects to purchase the Offer Securities, such election shall constitute the agreement by the Company to purchase such Offer Securities at the price and in accordance with the terms obtained in the relevant Offer Notice and the closing of such sale shall occur on a date agreed to by the Company and SC Launch; provided, that such date shall not be more than 60 days after delivery of the Offer Notice. The closing of such sale shall take place at a location agreed to by the Company and SC Launch, and the tender of payment for the Offer Securities shall be made in immediately available funds against delivery of the certificates representing the Offer Securities, duly endorsed for transfer, together with such other documents as the Company may reasonably request. If the Company does not elect to purchase the Offer Securities, then SC Launch may sell all, but not less than all, of such Offer Securities on terms providing for a price equal to or higher than the amount set forth in the Offer Notice to a third party purchaser and on other terms at least as favorable to the holder as those set forth in the Offer Notice. If SC Launch shall fail to complete any such sale within 150 days following the expiration of the time provided for the Company to elect to purchase the Offer Securities, SC Launch shall be required to submit another Offer Notice and comply with the procedures set forth herein in order to dispose of any such Offer Securities.

5.3 Agreements Among Stockholders of the Company. If the Note is converted, SC Launch and the Company will cooperate in good faith for SC Launch to become a party to agreements among the Company and other similarly situated stockholders of the Company, subject to the continuation of the rights of SC Launch under this Agreement that are intended to survive the conversion, either by this Agreement or by a new side letter agreement between the Company and SC Launch.

ARTICLE VI REGISTRATION OF SECURITIES

6.1 Registration Rights. If the Company proposes to register any shares of its common stock under the Securities Act, either for its own account or the account of security holders, other than a registration on Form S-8, or any registration on a form which does not permit secondary sales, the Company shall include in such registration (and all related qualifications under state securities laws), at the option of SC Launch, all shares of common stock held by SC Launch. If the registration involves any underwriting, SC Launch's shares shall be included in the underwriting arrangements with underwriters (selected by the Company) on the same terms as the Company or any other person selling common stock to the underwriters, but without limitation on the number of shares that SC Launch can elect to include in the underwriting arrangements.

6.2 Registration. All expenses of registration and qualification incurred in connection with a registration under this Section shall be borne by the Company, except that SC Launch shall bear the fees and expenses of its own counsel, if any, and any underwriting commission or discount applicable to its shares being sold. The Company will keep SC Launch advised of the status of the registration and will furnish such number of preliminary and final prospectuses as SC Launch may reasonably request; and SC Launch will furnish to the Company such information regarding SC Launch as may reasonably be required in connection with the registration.

6.3 Indemnification. The following provisions shall apply to any registration effected pursuant to this Section:

A. The Company shall indemnify and hold harmless SC Launch and each person, if any, who controls SC Launch within the meaning of the Securities Act from and against any and all losses, claims, damages, expenses or liabilities, joint and several, to which they or any of them may become subject under the Securities Act or under any other statute or at common law or otherwise, and, except as hereinafter provided, will reimburse SC Launch and each such controlling person, if any, for any legal or other expenses reasonably incurred by any of them in connection with investigating or defending any actions, whether or not resulting in any liability, insofar as such losses, claims, damages, expenses, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement, any preliminary prospectus or the final prospectus (or the registration statement or prospectus as from time to time amended or supplemented by the Company) or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, unless such untrue statement or omission was made in reliance upon and in conformity with information furnished in writing to the Company in connection therewith by SC Launch expressly for use therein. Promptly after receipt by SC Launch or any person controlling SC Launch of the commencement of any action in respect of which indemnity may be sought against the Company, SC Launch will notify the Company in writing of the commencement thereof, and, subject to the provisions hereinafter stated, the Company shall assume the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to SC Launch or such person, as the case may be, and the payment of legal expenses) insofar as such action shall relate to any alleged liability in respect of which indemnity may be sought against the Company. SC Launch or any such controlling person shall have the right to employ separate counsel in any such action and to participate in the defense thereof but the fees and expenses of such counsel shall not be at the expense of the Company unless the employment of such counsel has been specifically authorized by the Company, which authorization shall be given whenever the party seeking indemnity has been advised by its counsel that one or more legal defenses may be available to it that are not available to the Company or that for other reasons separate representation may be necessary, to avoid a conflict. The Company shall not be liable to indemnify any person for any settlement of any such action effected without the consent of the Company.

B. SC Launch will indemnify and hold harmless the Company, each of its directors and each of its officers who have signed the registration statement and each person, if any, who controls the Company within the meaning of the Securities Act from and against any and all losses, claims, damages, expenses of liabilities, joint and several, to which they are or any of them may become subject under the Securities Act or under any other statute or at common law or otherwise, and, except as hereinafter provided, will reimburse the Company and each such director, officer or controlling person for any legal and other expenses reasonably incurred by any of them, insofar as such losses, claims, damages, expenses, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement, in any preliminary prospectus or in the final prospectus (or the registration statement or prospectus as from time to time amended or supplemented) or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein

or necessary in order to make the statements therein not misleading, but only insofar as any such statement or omission was made in reliance upon and in conformity with information furnished in writing to the Company in connection therewith by SC Launch expressly for use therein. Promptly after receipt of notice of the commencement of any action in respect of which indemnity may be sought against SC Launch, the Company will notify SC Launch in writing of the commencement thereof, and SC Launch may, subject to the provisions hereinafter stated, assume the defense of such action (including the employment of counsel, who shall be counsel satisfactory to the Company, and the payment of legal expenses) insofar as such action shall relate to an alleged liability in respect of which indemnity may be sought against SC Launch. If SC Launch assumes the defense of an action, the Company and each such director, officer or controlling person shall have the right to employ separate counsel in any such action and to participate in the defense thereof but the fees and expenses of such counsel shall not be subject to reimbursement by SC Launch unless the employment of such counsel has been specifically authorized by SC Launch, which authorization shall be given whenever separate representation may be necessary to avoid a conflict. SC Launch shall not be liable to indemnify any person or any settlement of any such action effected without the consent of SC Launch. In no event shall the aggregate amounts payable by SC Launch by way of indemnity or reimbursement exceed the net proceeds from the offering received by SC Launch.

C. The indemnity provisions of this Section shall be in addition to any liability the indemnitor may otherwise have.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

7.1 Events of default. Each of the following shall constitute an “Event of Default”, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental authority or otherwise:

A. Payment. If the Company shall fail to pay the principal of or interest on the Note when due, and shall fail to cure such failure within five business days after notice from SC Launch specifying the failure;

B. Representations and warranties. If any representation or warranty made by the Company herein shall have been materially incorrect when made;

C. Covenants and obligations. If the Company shall breach or fail to comply with any of the covenants, terms and conditions of, or any of its obligations (other than payment defaults as set forth above) under, this Agreement or any of the Financing Documents, all of which are cumulative to this Agreement and to each other, and shall fail to cure such breach or failure within 30 days after notice from SC Launch specifying the default or failure; or

7.2 Remedies. Upon the occurrence of any Event of Default, and at any time thereafter, SC Launch may, at its option, without presentment, demand, notice of dishonor, or protest, declare the Note immediately due and payable in full. All powers and remedies given herein to SC Launch shall be cumulative and not exclusive of any other right or remedy or any other powers and

remedies available to SC Launch at law or in equity, by judicial proceeding or otherwise, to enforce the performance or observance of the covenants and agreements of the Company contained in this Agreement, and no delay or omission of SC Launch to exercise any right or power accruing upon any default occurring shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein. Every power and remedy given herein or by law to SC Launch may be exercised from time to time, and as often as may be deemed expedient, by SC Launch.

ARTICLE VIII MISCELLANEOUS

8.1 Waiver. No waiver at any time of the provisions or conditions of this Agreement or of any of the other Financing Documents shall be construed as a waiver of any of the other provisions or conditions hereof or thereof, nor shall a waiver of any provision or condition be construed as a right to subsequent waiver of the same provision or condition.

8.2 Severability. Unenforceability for any reason of any provision of this Agreement, or of any of the Financing Documents or other agreements between the Company and SC Launch shall not limit the operation or validity of any other provisions of this Agreement, any of the Financing Documents or any other agreement.

8.3 Notices. Any notice, request, instruction or other document to be given hereunder by any party hereto to any other party hereto shall be in writing and (a) delivered personally or sent by registered or certified mail (return receipt requested), (b) by any overnight express mail service, postage or fees prepaid to the addresses set forth in the preamble to this Agreement, or (c) by facsimile or electronic mail (e-mail). Either party may change the address to which notices, requests, demands, claims, or other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

Any notice which is delivered personally in the manner provided herein is deemed to have been duly given to the party to whom it is directed upon actual receipt by such party or its agent. Any notice which is addressed and mailed by registered or certified mail in the manner herein provided is conclusively presumed to have been duly given to the party to which it is addressed at the close of business, local time of the recipient, on the fourth business day after the day it is so placed in the mail or, if earlier, at the time of actual receipt. Any notice which is addressed and mailed by overnight express mail service in the manner herein provided is conclusively presumed to have been duly given to the party to which it is addressed at the close of business, local time of the recipient, on the next business day following delivery of such notice to such overnight express mail service prior to such service's deadline for next day delivery. Any notice which is sent by electronic mail or facsimile is deemed to have been duly given to the party to whom it is directed upon the earliest of actual receipt or upon being sent, during normal business hours of the recipient, if not, then on the next business day.

8.4 Time of the Essence. The parties hereto agree that time is of the essence to this Agreement.

8.5 Binding Effect; Assignment. Except as otherwise expressly provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding upon and inure to the benefit of SC Launch and the Company, and their respective successors, transferees and assigns. The Company will assign this Agreement to any successor to the Company, or any transferee or assignee of all or substantially all of its assets, and cause any such successor, transferee or assignee to assume the obligations of the Company hereunder

8.6 Governing law; Forum. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina without reference to the conflicts or choice of law principles thereof. Any civil action arising out of or in connection with this Agreement will be instituted and maintained exclusively in the state or federal courts located within the State of South Carolina and each of the parties hereto consents to the personal jurisdiction of such courts.

8.7 Titles and Captions. Titles and captions of Articles, Sections and subsections in this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement.

8.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and shall be binding upon all parties, their successors and assigns, and all of which taken together shall constitute one and the same agreement.

8.9 Conflicts. In the event of any conflict between the terms and provisions contained in this Agreement and the Note, the Note shall control. In the event of any conflict between the terms and provisions contained in this Agreement and any other of the Financing Documents or any other agreement, this Agreement shall control.

8.10 Termination of agreement. Except as otherwise specifically provided herein, the provisions hereof, including all covenants, shall continue in full force and effect until the repurchase or redemption by the Company of all securities of the Company held by SC Launch or its successors or assigns, and payment of fees, including the Relocation Fee to the extent applicable, and performance of all other obligations owed SC Launch hereunder.

8.11 Limitation of liability. SC Launch will not under any event in connection with this Agreement be liable for any consequential, incidental, special, punitive or other indirect damages of the Company or any other person.

8.12 Disclaimer of agency and fiduciary duty. The Company acknowledges and agrees that SC Launch exercising its rights under this Agreement as a holder of securities of the Company will not have any obligation, or be liable, to the Company or any other person, or be obligated to consider the interests of the Company or any other person, in exercising such rights.

8.13 Publicity. The Company will not, without first receiving prior written permission from SC Launch, use or distribute the name or marks, refer to, or identify SC Launch or its affiliates in publicity releases, interviews, promotional or marketing materials, announcements,

customer listings or advertising (the foregoing include, but are not limited to, websites, social media, and any and all written marketing or promotional materials).

8.14 Entire agreement. This Agreement together with the Financing Documents are intended to supersede all prior agreements, representations and understandings between or among any of the parties hereto relating to the subject matter hereof.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

SC LAUNCH, INC.

By: _____

Its: _____

[NAME OF ISSUER]

By: _____(SEAL)

Its: _____

Schedule I to Convertible Note Agreement

Key Holders

The undersigned Key Holders join in the execution of the foregoing Convertible Note Agreement for the sole purpose of being bound individually to the provisions of Section 3.5.

Signature: _____

Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

Schedule II to Convertible Note Agreement

Name of Company:

State of Incorporation:

Street Address:

Description of Business:

Face Amount of Note:

Amount of Initial Advance:

Uses of Initial Advance:

Maximum Conversion Value:

Existing written compensation agreements with related parties and amounts of compensation to be paid to such parties:

Exhibit A

This Note has not been registered under the Securities Act of 1933, as amended (the “Act”), and may not be sold and no such transaction will be registered on the books of the Company unless: (a) the sale has been registered under said Act, or (b) the Company is presented with a written opinion of counsel in form and substance acceptable to the Company, to the effect that such registration is not required under the circumstances of such sale.

The transfer of this Note by any holder is restricted under the terms of a Convertible Note Agreement between the Company and the original holder of the Note.

\$ _____

[Name of Issuer]

_____, South Carolina
_____, 20__

Convertible Note
Due _____, 20__ [3 years from issuance]

_____, a _____ corporation, (the “Company”), for value received, promises to pay to SC Launch, Inc. or its assigns, the sum of \$ _____, or whatever portion thereof shall be advanced by SC Launch, Inc. to the Company, on _____, 20__ (this date and any accelerated or extended maturity date under the terms hereof, are referred to hereafter as the “maturity date”), and to pay simple interest as set forth herein at an annual rate equal to: the prime rate (as published in the Market Data section of *The Wall Street Journal*) plus two percent (2.00%), but in no event lower than five percent (5.00%), on the outstanding balance computed from the date of this Note (the “issue date”) until payment of the principal and all interest under this Note has been made. The initial interest rate will be based on the prime rate first published on or after the most recent quarter and will be adjusted quarterly thereafter based on the first publication of the prime rate on or after January 1, April 1, July 1, and October 1 each year. Payment of principal and interest shall be made in lawful money of the United States of America at 1000 Catawba Street, Columbia, South Carolina 29201, or such other place or to such other party or parties as the holder of this Note may from time to time designate.

1. Convertible Note Agreement. This Note is issued under and is subject to the terms of a separate Convertible Note Agreement (the “Convertible Note Agreement”) dated the same date hereof between the Company and SC Launch, Inc. The terms and conditions of the Convertible Note Agreement are incorporated into this Note by reference as if fully repeated herein.

2. Automatic and Optional Conversion.

(a) Automatic Conversion.

(i) Upon a sale of preferred stock by the Company (“Preferred Stock”) that is not in connection with a Sale of the Company wherein the aggregate amount of cash consideration received by the Company from Preferred Stock sales in a single transaction or a series of related transactions since the issue date of this Note with a non-affiliated party or parties, to equal or exceed one million dollars (\$1,000,000.00) (a “Qualified Preferred Stock Sale”), the then outstanding principal and accrued interest of this Note (the “Conversion Amount”) will be automatically converted into Preferred Stock issued by the Company in such Qualified Preferred Stock Sale at a rate of conversion equal to the lesser of (x) 85% of the price per share of Preferred Stock paid by investors in the Qualified Preferred Stock Sale, and (y) the price per share of Preferred Stock equal to the quotient of the Maximum Conversion Value (as defined in the Convertible Note Agreement) divided by the fully-diluted number of outstanding shares of the Company’s capital stock immediately prior to such conversion of the Note, assuming conversion or exercise of all convertible or exercisable securities (including vested or unvested options or warrants granted, or reserved and available for future issuance, but excluding the Note or any securities issued upon conversion thereof from the calculation of such rate of conversion) (the “Automatic Conversion Price”).

(ii) The number of shares of Preferred Stock to be issued to the holder upon a Qualified Preferred Stock Sale shall be equal to the quotient obtained by dividing the Conversion Amount by the Automatic Conversion Price. The Preferred Stock issued to the holder upon conversion of this Note in accordance with a Qualified Preferred Stock Sale shall have the same rights, preferences and privileges as the Preferred Stock issued to investors in the Qualified Preferred Stock Sale and the holder shall have the same rights, preferences and privileges as the subscribers for such Preferred Stock; provided, however, that the per share liquidation preference will equal the Automatic Conversion Price and any price-based anti-dilution protection and dividend rights will be based on the Automatic Conversion Price.

(b) Optional Conversion. The holder shall have the option, but not the obligation, to convert the then outstanding Conversion Amount owing under the Note into Preferred Stock (an “Optional Conversion”) as follows:

(i) Upon any Preferred Stock sale by the Company for the primary purpose of raising capital for the Company which is not a Qualified Preferred Stock Sale (a “Non-Qualified Preferred Stock Sale”), the holder of this Note may elect to convert the then outstanding Conversion Amount into Preferred Stock issued by the Company in such Non-Qualified Preferred Stock Sale at a rate of conversion equal to the lesser of (x) 85% of the price per share of Preferred Stock paid by investors in the Non-Qualified Preferred Stock Sale, and (y) the price per share of Preferred Stock equal to the quotient of the Maximum Conversion Value divided by the fully-diluted number of outstanding shares of the Company capital stock immediately prior to such conversion of the Note, assuming conversion or exercise of all convertible or exercisable securities (including vested or unvested options or warrants granted, or reserved and available for future issuance, but

excluding the Note or any securities issued upon conversion thereof from the calculation of such rate of conversion); or

(ii) At any time after the maturity date or upon any Sale of the Company or in accordance with Section 3.4 of the Convertible Note Agreement, the holder may elect to convert the then outstanding Conversion Amount into such number of shares of Series Seed Preferred Stock (as defined in the Convertible Note Agreement) equal to the quotient of the Maximum Conversion Value divided by the then fully-diluted number of outstanding shares of the Company's capital stock immediately prior to such conversion of the Note, assuming conversion or exercise of all convertible or exercisable securities (including vested or unvested options or warrants granted or, except for conversion upon a Sale of the Company, reserved and available for future issuance, but excluding the Note or any securities issued upon conversion thereof from the calculation of such rate of conversion).

3. Extension of maturity date; demand for payment.

(a) At any time, the holder of this Note may, in its sole discretion, by written notice to the Company, extend the maturity date: (i) to any date designated by the holder; (ii) to any date designated by the holder that is after the prior maturity date and demand that the Company begin to immediately make monthly payments of interest to the holder beginning with the prior maturity date and continuing on the same date of each month thereafter, with such interest based on the combined principal and accrued interest balance outstanding under this Note on the prior maturity date; or (iii) to any date designated by the holder that is after the prior maturity date and no less than 60 days after the date of the notice and demand payment by the Company of all principal and accrued interest outstanding under this Note on the extended maturity date. Upon any Sale of the Company, this Note shall be immediately due and payable in full, unless the holder exercises its option to convert the Note into Preferred Stock upon the Sale of the Company.

(b) The Company will make any payments demanded by the holder in accordance with this Section 3, as applicable.

4. Conversion Mechanics. Upon a conversion of this Note, the holder or holders will promptly surrender the same at the office of the Company, accompanied by a written instrument of transfer in a form satisfactory to the Company, properly completed and executed by the registered holder or holders hereof or a duly authorized attorney. Upon either an Automatic Conversion or an Optional Conversion, this Note shall be deemed converted and of no further force and effect, whether or not it is delivered for cancellation as set forth in this Section. Upon full conversion of this Note, the Company shall be forever released from all of its obligations and liabilities under this Note.

5. Fractional Units. In lieu of issuing any fraction of a share or scrip upon the conversion of this Note, in the sole discretion of the Company, either (i) such fractional interest shall be rounded up to the next whole share, or (ii) the Company shall pay to the holder hereof, for any fraction of a share otherwise issuable upon the conversion, cash equal to the same fraction of the conversion price.

6. Covenants. The Company covenants that all shares of Preferred Stock which may be delivered upon conversion of this Note will upon delivery be duly and validly issued and fully paid and nonassessable, free of all liens and charges and not subject to any preemptive rights. The issuance of shares of Preferred Stock upon conversion of this Note has been authorized in all respects.

7. No Prepayment or Redemption by the Company. This Note may not be prepaid or redeemed at any time by the Company.

8. Miscellaneous.

(a) Successors and Assigns; Transfer. Subject to the exceptions specifically set forth in this Note, the terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and permitted transferees and assigns of the parties. The Company may not transfer or assign its obligations hereunder without the prior written consent of the holder. This Note may be not be transferred by the holder (other than to any of its Affiliates) except in compliance with Article V of the Convertible Note Agreement. Each Note thus transferred shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with the Act.

(b) Titles and Subtitles. The titles and subtitles of the Sections of this Note are used for convenience only and shall not be considered in construing or interpreting this Note.

(c) Notices. Any notice, request or other communication required or permitted hereunder shall be in writing and shall be delivered in accordance with the Convertible Note Agreement.

(d) Not Holder of Equity. This Note does not confer upon holder any right to vote or to consent to or to receive notice as a holder of equity securities of the Company, as such, in respect of any matters whatsoever, or any other rights or liabilities as a holder of equity securities, prior to the conversion hereof.

(e) Governing Law. The terms of this Note shall be construed in accordance with the laws of the State of South Carolina, without regard to conflict of laws principles.

(f) Waiver and Amendment. Any amendments to, changes in or additions to this Note may be made, and compliance with any covenant or provision herein set forth may be omitted or waived, if approved in writing by the Company and the holder.

[Signature page follows]

IN WITNESS WHEREOF, the Company has signed and sealed this Note effective as of the _____ day of _____, 20__.

[NAME OF ISSUER]

By: _____ (SEAL)

Its: President

By: _____

Its: Secretary

Exhibit B

Certificate of Designations Series Seed Preferred Stock

A single series of Preferred Stock is hereby designated as Series Seed Preferred Stock (“Series Seed Preferred Stock”). The number of authorized shares of Series Seed Preferred Stock is [Number of Shares]. The following rights, powers and privileges, and restrictions, qualifications and limitations, shall apply to the Series Seed Preferred Stock.

1. Definitions.

As used in this Certificate of Designations (the “Certificate”), the following terms have the meanings set forth below:

“*Original Issue Price*” means \$[Price] per share for the Series Seed Preferred Stock.

“*Requisite Holders*” means the holders of at least a majority of the outstanding shares of Series Seed Preferred Stock (voting as a single class on an as-converted basis).

2. Liquidation, Dissolution, or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Payments to Holders of Series Seed Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Company or any Deemed Liquidation Event (as defined below), before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, the holders of shares of Series Seed Preferred Stock then outstanding must be paid out of the funds and assets available for distribution to its stockholders, an amount per share equal to the greater of (a) the Original Issue Price for such share of Series Seed Preferred Stock, plus any dividends declared but unpaid thereon, or (b) such amount per share as would have been payable had all shares of Series Seed Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution or winding up or Deemed Liquidation Event. If upon any such liquidation, dissolution, or winding up or Deemed Liquidation Event of the Company, the funds and assets available for distribution to the stockholders of the Company are insufficient to pay the holders of shares of Series Seed Preferred Stock the full amount to which they are entitled under this Section 2.1, the holders of shares of Series Seed Preferred Stock will share ratably in any distribution of the funds and assets available for distribution in proportion to the respective amounts that would otherwise be payable in respect of the shares of Series Seed Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Payments to Holders of Common Stock. In the event of any voluntary or involuntary liquidation, dissolution, or winding up or Deemed Liquidation Event of the Company, after the payment of all preferential amounts required to be paid to the holders of shares of Series Seed Preferred Stock as provided in Section 2.1, the remaining funds and assets available for distribution to the stockholders of the Company will be distributed among the holders of shares of

Common Stock, pro rata based on the number of shares of Common Stock held by each such holder.

2.3 Deemed Liquidation Events.

2.3.1 Definition. Each of the following events is a “*Deemed Liquidation Event*” unless the Requisite Holders elect otherwise by written notice received by the Company at least five days prior to the effective date of any such event:

(a) a merger or consolidation in which (i) the Company is a constituent party or (ii) a subsidiary of the Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation, except any such merger or consolidation involving the Company or a subsidiary in which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for equity securities that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the equity securities of (1) the surviving or resulting party or (2) if the surviving or resulting party is a wholly owned subsidiary of another party immediately following such merger or consolidation, the parent of such surviving or resulting party; *provided* that, for the purpose of this Section 2.3.1, all shares of Common Stock issuable upon exercise of options outstanding immediately prior to such merger or consolidation or upon conversion of Convertible Securities (as defined below) outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, deemed to be converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged; or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Company or any subsidiary of the Company of all or substantially all the assets of the Company and its subsidiaries taken as a whole, or, if substantially all of the assets of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Company, except where such sale, lease, transfer or other disposition is to the Company or one or more wholly owned subsidiaries of the Company.

2.3.2 Amount Deemed Paid or Distributed. The funds and assets deemed paid or distributed to the holders of capital stock of the Company upon any such merger, consolidation, sale, transfer or other disposition described in this Section 2.3 will be the cash or the value of the property, rights or securities paid or distributed to such holders by the Company or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Company for their action or consideration at any meeting of stockholders of the Company (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Series Seed Preferred Stock may cast the number of votes equal to the number of whole shares of Common Stock into

which the shares of Series Seed Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Fractional votes shall not be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which shares of Series Seed Preferred Stock held by each holder could be converted) will be rounded to the nearest whole number (with one-half being rounded upward). Except as provided by law or by the other provisions of this Certificate, holders of Series Seed Preferred Stock shall vote together with the holders of Common Stock as a single class on an as-converted basis, shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision of this Certificate, to notice of any stockholder meeting in accordance with the Bylaws of the Company.

3.2 Series Seed Preferred Stock Protective Provisions. At any time when at least 25% of the initially issued shares of Series Seed Preferred Stock remain outstanding, the Company shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate) the written consent or affirmative vote of the Requisite Holders, given in writing or by vote at a meeting, consenting, or voting (as the case may be) separately as a single class:

(a) alter the rights, powers or privileges of the Series Seed Preferred Stock set forth in the Certificate or Bylaws, as then in effect, in a way that adversely affects the Series Seed Preferred Stock;

(b) increase or decrease the authorized number of shares of any class or series of capital stock;

(c) authorize or create (by reclassification or otherwise) any new class or series of capital stock having rights, powers, or privileges set forth in the certificate of incorporation of the Company, as then in effect, that are senior to or on a parity with any series of Series Seed Preferred Stock;

(d) redeem or repurchase any shares of Common Stock or Series Seed Preferred Stock (other than pursuant to employee or consultant agreements giving the Company the right to repurchase shares upon the termination of services pursuant to the terms of the applicable agreement);

(e) declare or pay any dividend or otherwise make a distribution to holders of Series Seed Preferred Stock or Common Stock;

(f) liquidate, dissolve, or wind-up the business and affairs of the Company, effect any Deemed Liquidation Event, or consent, agree or commit to do any of the foregoing without conditioning such consent, agreement or commitment upon obtaining the approval required by this Section 3.2.

4. Conversion. The holders of the Series Seed Preferred Stock have the following conversion rights (the “*Conversion Rights*”):

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Series Seed Preferred Stock is convertible, at the option of the holder thereof, at any time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Issue Price for the series of Series Seed Preferred Stock by the Conversion Price for that series of Series Seed Preferred Stock in effect at the time of conversion. The “**Conversion Price**” for each series of Series Seed Preferred Stock means the Original Issue Price for such series of Series Seed Preferred Stock, which initial Conversion Price, and the rate at which shares of Series Seed Preferred Stock may be converted into shares of Common Stock, is subject to adjustment as provided in this Certificate.

4.1.2 Termination of Conversion Rights. Subject to Section 4.3.1 in the case of a Contingency Event herein, in the event of a liquidation, dissolution, or winding up of the Company or a Deemed Liquidation Event, the Conversion Rights will terminate at the close of business on the last full day preceding the date fixed for the first payment of any funds and assets distributable on such event to the holders of Series Seed Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock will be issued upon conversion of the Series Seed Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board. Whether or not fractional shares would be issuable upon such conversion will be determined on the basis of the total number of shares of Series Seed Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. To voluntarily convert shares of Series Seed Preferred Stock into shares of Common Stock, a holder of Series Seed Preferred Stock shall surrender the certificate or certificates for the shares of Series Seed Preferred Stock (or, if such registered holder alleges that any such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Series Seed Preferred Stock (or at the principal office of the Company if the Company serves as its own transfer agent), together with written notice that the holder elects to convert all or any number of the shares of the Series Seed Preferred Stock represented by the certificate or certificates and, if applicable, any event on which the conversion is contingent (a “**Contingency Event**”). The conversion notice must state the holder’s name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Company, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form reasonably satisfactory to the Company, duly executed by the registered holder or such holder’s attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Company if the Company serves as its own transfer agent) of the certificates (or lost certificate affidavit and agreement) and notice (or, if later,

the date on which all Contingency Events have occurred) will be the time of conversion (the “**Conversion Time**”), and the shares of Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such time. The Company shall, as soon as practicable after the Conversion Time, (a) issue and deliver to the holder, or to the holder’s nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon the conversion in accordance with the provisions of this Certificate and a certificate for the number (if any) of the shares of Series Seed Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (b) pay in cash such amount as provided in Section 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (c) pay all declared but unpaid dividends on the shares of Series Seed Preferred Stock converted.

4.3.2 Reservation of Shares. For the purpose of effecting the conversion of the Series Seed Preferred Stock, the Company shall at all times while any share of Series Seed Preferred Stock is outstanding, reserve and keep available out of its authorized but unissued capital stock, , that number of its duly authorized shares of Common Stock as may from time to time be sufficient to effect the conversion of all outstanding Series Seed Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock is not be sufficient to effect the conversion of all then-outstanding shares of the Series Seed Preferred Stock, the Company shall use its best efforts to cause such corporate action to be taken as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate. Before taking any action that would cause an adjustment reducing the Conversion Price of a series of Series Seed Preferred Stock below the then-par value of the shares of Common Stock issuable upon conversion of such series of Series Seed Preferred Stock, the Company shall take any corporate action that may be necessary so that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Conversion Price.

4.3.3 Effect of Conversion. All shares of Series Seed Preferred Stock that shall have been surrendered for conversion as provided in this Certificate shall no longer be deemed to be outstanding and all rights with respect to such shares will immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Section 4.2, and to receive payment of any dividends declared but unpaid thereon. Any shares of Series Seed Preferred Stock so converted shall be retired and cancelled and may not be reissued.

4.3.4 No Further Adjustment. Upon any conversion of shares of Series Seed Preferred Stock, no adjustment to the Conversion Price of the applicable series of Series Seed Preferred Stock will be made with respect to the converted shares for any declared but unpaid dividends on such series of Series Seed Preferred Stock or on the Common Stock delivered upon conversion.

4.4 Adjustment for Stock Splits and Combinations. If the Company at any time or from time to time after the date on which the first share of a series of Series Seed Preferred Stock is issued by the Company (such date referred to herein as the “**Original Issue Date**” for such

series of Series Seed Preferred Stock) effects a subdivision of the outstanding Common Stock, the Conversion Price for each series of Series Seed Preferred Stock in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of that series will be increased in proportion to the increase in the aggregate number of shares of Common Stock outstanding. If the Company at any time or from time to time after the Original Issue Date for a series of Series Seed Preferred Stock combines the outstanding shares of Common Stock, the Conversion Price for each series of Series Seed Preferred Stock in effect immediately before the combination will be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this Section 4.4 becomes effective at the close of business on the date the subdivision or combination becomes effective.

4.5 Adjustment for Certain Dividends and Distributions. If the Company at any time or from time to time after the Original Issue Date for a series of Series Seed Preferred Stock makes or issues, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Conversion Price for such series of Series Seed Preferred Stock in effect immediately before the event will be decreased as of the time of such issuance or, in the event a record date has been fixed, as of the close of business on such record date, by multiplying such Conversion Price then in effect by a fraction:

(a) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of the issuance or the close of business on the record date, and

(b) the denominator of which is the total number of shares of Common Stock issued and outstanding immediately before the time of such issuance or the close of business on the record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (i) if such record date has have been fixed and the dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, such Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter such Conversion Price shall be adjusted pursuant to this Section 4.5 as of the time of actual payment of such dividends or distributions; and (ii) no such adjustment shall be made if the holders of such series of Series Seed Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock that they would have received if all outstanding shares of such series of Series Seed Preferred Stock had been converted into Common Stock on the date of the event.

4.6 Adjustments for Other Dividends and Distributions. If the Company at any time or from time to time after the Original Issue Date for a series of Series Seed Preferred Stock shall makes or issues, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Company (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock), then and in each such event the Company shall make, simultaneously with the distribution to the

holders of Common Stock, a dividend or other distribution to the holders of the series of Series Seed Preferred Stock in an amount equal to the amount of securities as the holders would have received if all outstanding shares of such series of Series Seed Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustment for Reclassification, Exchange and Substitution. If at any time or from time to time after the Original Issue Date for a series of Series Seed Preferred Stock the Common Stock issuable upon the conversion of such series of Series Seed Preferred Stock is changed into the same or a different number of shares of any class or classes of stock of the Company, whether by recapitalization, reclassification, or otherwise (other than by a stock split or combination, dividend, distribution, merger or consolidation covered by Sections 4.4, 4.5, 4.6 or 4.8 or by Section 2.3 regarding a Deemed Liquidation Event), then in any such event each holder of such series of Series Seed Preferred Stock may thereafter convert such stock into the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification or other change by holders of the number of shares of Common Stock into which such shares of Series Seed Preferred Stock could have been converted immediately prior to such recapitalization, reclassification or change.

4.8 Adjustment for Merger or Consolidation. Subject to the provisions of Section 2.3, if any consolidation or merger occurs involving the Company in which the Common Stock (but not a series of Series Seed Preferred Stock) is converted into or exchanged for securities, cash, or other property (other than a transaction covered by Sections 4.5, 4.6 or 4.7), then, following any such consolidation or merger, the Company shall provide that each share of such series of Series Seed Preferred Stock will thereafter be convertible, in lieu of the Common Stock into which it was convertible prior to the event, into the kind and amount of securities, cash, or other property which a holder of the number of shares of Common Stock of the Company issuable upon conversion of one share of such series of Series Seed Preferred Stock immediately prior to the consolidation or merger would have been entitled to receive pursuant to the transaction; and, in such case, the Company shall make appropriate adjustment (as determined in good faith by the Board) in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of such series of Series Seed Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Conversion Price of such series of Series Seed Preferred Stock) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of such series of Series Seed Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price of a series of Series Seed Preferred Stock pursuant to this Section 4, the Company at its expense shall, as promptly as reasonably practicable but in any event not later than 15 days thereafter, compute such adjustment or readjustment in accordance with the terms of this Certificate and furnish to each holder of such series of Series Seed Preferred Stock a certificate setting forth the adjustment or readjustment (including the kind and amount of securities, cash, or other property into which such series of Series Seed Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, as promptly as reasonably practicable after the written request at any time of any holder of any series of Series Seed Preferred Stock (but in any event not later than 10 days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (a) the

Conversion Price of such series of Series Seed Preferred Stock then in effect and (b) the number of shares of Common Stock and the amount, if any, of other securities, cash, or property which then would be received upon the conversion of such series of Series Seed Preferred Stock.

4.10 Mandatory Conversion. Upon either (a) the closing of the sale of shares of Common Stock to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the Requisite Holders at the time of such vote or consent, voting as a single class on an as-converted basis (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent, the “**Mandatory Conversion Time**”), (i) all outstanding shares of Series Seed Preferred Stock will automatically convert into shares of Common Stock, at the applicable ratio described in Section 4.1.1 as the same may be adjusted from time to time in accordance with Section 4 and (ii) such shares may not be reissued by the Company.

4.11 Procedural Requirements. The Company shall notify in writing all holders of record of shares of Series Seed Preferred Stock of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Series Seed Preferred Stock pursuant to Section 4.10. Unless otherwise provided in this Certificate, the notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of the notice, each holder of shares of Series Seed Preferred Stock shall surrender such holder’s certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate) to the Company at the place designated in such notice, and shall thereafter receive certificates for the number of shares of Common Stock to which such holder is entitled pursuant to this Section 4. If so required by the Company, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form reasonably satisfactory to the Company, duly executed by the registered holder or such holder’s attorney duly authorized in writing. All rights with respect to the Series Seed Preferred Stock converted pursuant to Section 4.10, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender the certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Section 4.11. As soon as practicable after the Mandatory Conversion Time and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Series Seed Preferred Stock, the Company shall issue and deliver to such holder, or to such holder’s nominee(s), a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Section 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Series Seed Preferred Stock converted. Such converted Series Seed Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Company may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series Seed Preferred Stock (and the applicable series thereof) accordingly.

5. **Dividends.** The Company shall declare all dividends pro rata on the Common Stock and the Series Seed Preferred Stock on a pari passu basis according to the number of shares of Common Stock held by such holders. For this purpose, each holder of shares of Series Seed Preferred Stock will be treated as holding the greatest whole number of shares of Common Stock then issuable upon conversion of all shares of Series Seed Preferred Stock held by such holder pursuant to Section 4.

6. **Redeemed or Otherwise Acquired Shares.** Any shares of Series Seed Preferred Stock that are redeemed or otherwise acquired by the Company or any of its subsidiaries will be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Company nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Series Seed Preferred Stock following any such redemption.

7. **Waiver.** Any of the rights, powers, privileges and other terms of the Series Seed Preferred Stock set forth herein may be waived prospectively or retrospectively on behalf of all holders of Series Seed Preferred Stock by the affirmative written consent or vote of the Requisite Holders.

8. **Notice of Record Date.** In the event:

(a) the Company takes a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Series Seed Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then, and in each such case, the Company shall send or cause to be sent to the holders of the Series Seed Preferred Stock a written notice specifying, as the case may be, (i) the record date for such dividend, distribution, or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Series Seed Preferred Stock) will be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Series Seed Preferred Stock and the Common Stock. The Company shall send the notice at least 20 days before the earlier of the record date or effective date for the event specified in the notice.

8. Notices. Except as otherwise provided herein, any notice required or permitted by the provisions of this Certificate to be given to a holder of shares of Series Seed Preferred Stock must be mailed, postage prepaid, to the post office address last shown on the records of the Company, or given by electronic communication in compliance with the provisions of the General Company Law, and will be deemed sent upon such mailing or electronic transmission.

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