



## **PARTICIPATION RIGHTS**

- A. Grantor's related entity, SC Launch, Inc., a South Carolina nonprofit corporation (SC Launch), will have a reasonable right, if Recipient proposes to offer to any person equity securities, or securities convertible into or carrying a right to subscribe for or acquire equity securities, to purchase such securities in an amount up to the amount of the Grant multiplied by four ("4x Grant Amount"), on uniform terms and conditions with other purchasers. This right will be cumulative and, to the extent not fully exercised by SC Launch in any such offering by Recipient, shall continue for subsequent offerings until securities equal in purchase price to 4x Grant Amount have been purchased by SC Launch, except this right will end after completion of a Qualified Stock Sale (as defined below) by Recipient. For clarification, SC Launch may purchase securities in the Qualified Stock Sale up to 4x Grant Amount, to the extent securities of Recipient with a purchase price equal to 4x Grant Amount have not been previously purchased by SC Launch. SC Launch will not be obligated to purchase any securities of Recipient.
- B. A "Qualified Stock Sale" refers to any sale by Recipient of capital stock other than the issuance of capital stock upon the exercise of options, warrants or similar rights (a "Stock Sale") that causes the aggregate amount of cash consideration received by Recipient from Stock Sales in a single transaction or a series of related transactions with a non-affiliated party or parties, to equal or exceed \$2,000,000.
- C. Upon any purchase by SC Launch of securities of Recipient under this Section, SC Launch and Recipient will cooperate in good faith for SC Launch to become a party to any agreements among Recipient and other similarly situated securities holders of Recipient, and for SC Launch to have the rights that SC Launch customarily has for similar investments as set forth in SC Launch's applicable form of investment agreement at the time of the purchase. Copies of SC Launch's forms of investment agreement are available for review by Recipient upon request.