

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

[NAME OF AWARDEE]
EQUITY PURCHASE WARRANT

Warrant Coverage Percentage:	5.0%
Name of Holder:	43North, LLC
Date of Issuance:	_____

For the consideration stipulated in that certain Award Agreement (the “Award Agreement”) dated as of _____, between [NAME OF AWARDEE], a [STATE OF FORMATION] [TYPE OF ENTITY] (the “Company”) and 43North LLC, the receipt and sufficiency of which is hereby acknowledged, the Company grants to 43North, LLC, or its successors or assigns (the “Holder” or “43North”), the right to subscribe for and purchase from the Company a certain number of validly issued, fully paid and nonassessable shares of the Company’s most senior equity security or the equity security of the Company issued in a “Qualifying Round” (as defined herein) or any other financing round that gives rise to the conversion of this Warrant, or, at the election of the Holder, common stock of the Company (the “Warrant Shares”), on the terms and conditions set forth in this warrant (the “Warrant”). Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Award Agreement.

1. Exercise Period; Conversion Base; No Reduction in Warrant Coverage Percentage; Mandatory Conversions.

(a) Warrant Exercise; Conversion Base. The Warrant shall be exercisable for a period of ten (10) years from the date of the issuance specified above (the “Exercise Period”). During the Exercise Period, the Holder shall have the right, to be exercised at any time and from time to time and in the sole discretion of the Holder, to purchase from the Company the number of Warrant Shares that is equal to the product of multiplying the Warrant Coverage Percentage, times the total capital stock or equivalent equity interest of the Company issued and outstanding on the date of exercise, computed on a fully diluted basis (the “Company Equity”), assuming, among other things, that all Company Equity that could be issued pursuant to the terms of any other stock option plan, convertible security, SAFE (Simple Agreement for Future Equity) or any other document or agreement that could result in the issuance of additional Company Equity have been issued (the “Conversion Base”). In the event that this Warrant is exercised in connection with an equity financing of

the Company, the Conversion Base shall be determined as of the time of the closing of such equity financing. For clarity, in the event that this Warrant is exercised at the election of the Holder in connection with an equity financing (whether or not such financing constitutes a Qualified Round), this Warrant will convert into the most senior class of equity security issued or to be issued by the Company at the closing of such equity financing.

(b) No Reduction in Warrant Coverage Percentage. In the event of any (i) capital reorganization of the Company, (ii) reclassification of the Company Equity (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up, or combination of shares), (iii) a “Change of Control” (as defined below) or (iv) other similar transaction, in each case which entitles the Company Equity holders to receive (either directly or upon subsequent liquidation) stock, securities, or assets with respect to or in exchange for Company Equity shall not effect the Warrant Coverage Percentage. Accordingly, this Warrant shall, immediately after such reorganization, reclassification, Change of Control, or similar transaction, remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Warrant Shares then exercisable under this Warrant, be exercisable for the kind and number of shares of stock or other securities or assets of the Company or of the successor Person resulting from such transaction to which the Holder would have been entitled upon such reorganization, reclassification, Change of Control or similar transaction if the Holder had exercised this Warrant in full immediately prior to the time of such reorganization, reclassification, Change of Control, or similar transaction and acquired the applicable number of Warrant Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and, in such case, appropriate adjustment (in form and substance satisfactory to the Holder) shall be made with respect to the Holder's rights under this Warrant to insure that the provisions of this Warrant shall thereafter be applicable, as nearly as possible, to any shares of stock, securities, or assets thereafter acquirable upon exercise of this Warrant. The provisions of this Section 1(b) shall similarly apply to successive reorganizations, reclassifications, Change of Control events, or similar transactions.

The Company shall not effect any such reorganization, reclassification, consolidation, merger, sale, or similar transaction unless, prior to the consummation thereof, the successor Person (if other than the Company) resulting from such reorganization, reclassification, consolidation, merger, sale, or similar transaction, shall assume, by written instrument substantially similar in form and substance to this Warrant and satisfactory to the Holder, the obligation to deliver to the Holder such shares of stock, securities, or assets which, in accordance with the foregoing provisions, such Holder shall be entitled to receive upon exercise of this Warrant. Notwithstanding anything to the contrary contained herein, with respect to any corporate event or other transaction contemplated by the provisions of this Section 1(b), the Holder shall have the right to elect prior to the consummation of such event or transaction, to give effect to the exercise rights contained in Section 2 instead of giving effect to the provisions contained in this Section 1(b) with respect to this Warrant.

(c) Mandatory Conversion. Notwithstanding the foregoing, the Company may compel exercise of this Warrant if the Company undertakes a “Qualified Round” of equity

financing. For this purpose, a “Qualified Round” shall mean:

- (i) an equity financing in which the Company receives investment of Three Million Dollars (\$3,000,000) or more which amount permits the Company to continue its operations for eighteen (18) months or more based upon reasonable projections of the Company’s operating expenses for that period; and
- (ii) the Company’s pre-money valuation for such equity financing is Twelve Million Dollars (\$12,000,000) or more.

In the case of a Qualified Round, this Warrant will convert into the most senior class of equity security issued or to be issued by the Company at the closing of such Qualified Round.

Exercise of this Warrant shall take place at the closing of a Qualified Round.

For clarity, a Qualified Round only includes equity financings and does not include a debt or convertible debt financing (or any other form of financing where no valuation of the Company is ascribed as part of the investment).

2. Exercise.

(a) Procedure. This Warrant may be exercised at the discretion of the Holder at any time by the completion of the exercise form attached hereto as **Exhibit A** and by the surrender of this Warrant (properly endorsed) at the office of the Company (or at such other agency or office of the Company in the United States as it may designate by notice in writing to the Holder to the address of the Holder appearing on the books of the Company) and by payment to the Company of One Hundred Dollars (\$100.00) (the “Closing Price”) for the number of Warrant Shares being issued. Upon exercise of this Warrant, certificate(s) or certificates for the Warrant Shares so purchased, registered in the name of the Holder, shall be delivered to the Holder within a reasonable time, not exceeding five (5) business days after the date of exercise. With respect to any such exercise, the Holder shall for all purposes be deemed to have become the holder of record of the number of shares of Stock evidenced by such certificate or certificates from the date on which this Warrant was surrendered and payment of the Closing Price was made irrespective of the date of delivery of such certificate, except that, if the date of such surrender and payment is a date on which the stock transfer books of the Company are closed, the Holder shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open. No fractional shares shall be issued upon exercise of this Warrant. If any fractional interest in a share would, except for the provision of this Section 2, be delivered upon any such exercise, the Company in lieu of delivering the fractional share thereof, shall pay to the holder thereof an amount in cash equal to the current market price of such fractional interest as determined in good faith by the Board of Directors of the Company.

(b) Issue Tax. The issuance of certificate(s) for the Warrant Shares upon exercise of this Warrant shall be made without charge to the Holder for any issuance tax in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in

a name other than that of the Holder. If the Company maintains its share registry in book entry form and does not issue paper share certificates, no paper share certificates shall be required by this Warrant, provided that the Holder shall receive confirmation of the issuance of the Warrant Shares.

(c) Closing of Books. The Company will at no time close its transfer books against the transfer of the shares of Company Equity issued or issuable upon the exercise of this Warrant in any manner which interferes with the timely exercise of this Warrant.

(d) Admission as a Member. If the Company is a limited liability company, the issuance of Warrant Shares shall be interpreted to mean the admission of the Holder as a member of the Company holding a 5% membership interest in the Company (as such percentage may be adjusted as provided herein) with all rights and privileges accorded to Members of the Company. If the Company is a limited liability company, by accepting this Warrant, the Holder agrees to execute a counterpart signature page to the Company's Operating Agreement, as amended.

3. Restrictions on Transfer; Restrictive Legends.

(a) Except as otherwise permitted by this Section 3, in the event the Warrant Shares are certificated the certificate evidencing the Warrant Shares issued upon the exercise of this Warrant shall be stamped or otherwise imprinted with a legend in substantially the following form:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT. THE SECURITIES ARE ALSO SUBJECT TO TRANSFER RESTRICTIONS AS SET FORTH IN THE COMPANY'S OPERATING AGREEMENT OR SHAREHOLDERS AGREEMENT, AS THE CASE MAY BE.

(b) Notwithstanding the foregoing, the Holder may require the Company to issue a Warrant or a certificate evidencing the Warrant Shares, in each case without a legend, if either (i) such Warrant or such Warrant Shares, as the case may be, have been registered for resale under the Securities Act of 1933, as amended or (ii) the Holder has delivered to the Company an opinion of legal counsel, which opinion shall be addressed to

the Company and be reasonably satisfactory in form and substance to the Company's counsel, to the effect that such registration is not required with respect to such Warrant or such Warrant Shares, as the case may be.

4. Representations and Covenants of the Company. The Company hereby represents and agrees as follows:

(a) Authorization. The execution and delivery of this Warrant has been duly authorized by the Company pursuant to any and all corporate action required for such authorization. No consent or waiver of rights of any shareholder of the Company, holder of convertible securities of the Company or other third party is required for this Warrant to be a valid and binding agreement of the Company. The Warrant Shares issued upon the exercise of this Warrant will, upon payment of the Closing Price and issuance, be duly authorized, validly issued, fully paid and nonassessable, not subject to any preemptive rights, and free from all taxes, liens, security interests, charges and other encumbrances with respect to the issue thereof, other than taxes with respect to any transfer occurring contemporaneously with such issue.

(b) Reservation of Shares. During the period within which this Warrant may be exercised, the Company will at all times have authorized and reserved, and keep available free from preemptive rights, a sufficient number of shares of Company Equity to provide for the exercise of the rights represented by this Warrant.

(c) Notice Requirements for Certain Events. If the Company proposes at any time (i) to declare any dividend or distribution upon any class or series of the Company Equity, whether in cash, property, stock, or other securities and whether or not a regular cash dividend; (ii) to effect any reclassification or recapitalization of the Company Equity; (iii) to merge or consolidate with or into any other business entity, or sell, lease, license, or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; (iv) offer holders of registration rights the opportunity to participate in an underwritten public offering of the company's securities for cash, (v) to undertake a financing whether a Qualified Round or not a Qualified Round, or (vi) or if there is to be a Change of Control (as defined below), then, in connection with each such event, the Company shall give Holder (1) at least 20 days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of common stock will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (ii) and (iii) above; (2) in the case of the matters referred to in (ii), (iii), (v) and (vi) above at least 20 days prior written notice of the date when the same will take place; and (3) in the case of the matter referred to in (iv) above, the same notice as is given to the holders of such registration rights;

For purposes hereof, a "Change of Control" means (i) a transaction or series of related transactions in which any "person" or "group" (within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding voting securities of the Company

having the right to vote for the election of members of the Company's board of directors, (ii) any reorganization, merger or consolidation of the Company, other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity, (iii) a sale, lease, license or other disposition of all or substantially all of the assets of the Company or (iv) any public offering of stock.

(d) Notice of Adjustment to Conversion Base. Upon any adjustment of the Conversion Base, then the Company shall give written notice thereof, by delivery in person or certified or registered mail, return receipt requested, or by confirmed facsimile or email, addressed to the Holder at the address of Holder as shown on the books of the Company, which notice shall state the Conversion Base resulting from such adjustment, setting forth in reasonable detail the method upon which such calculation is based; and

(e) Notices to Shareholders. So long as the Holder holds this Warrant and/or any of the Warrant Shares, the Company shall deliver to the Holder promptly after mailing, copies of all notices or other written communications to the shareholders or members of the Company, as applicable.

5. Loss or Destruction of Warrant.

Subject to the terms and conditions hereof, upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, of such bond or indemnification as the Company may reasonably require, and, in the case of such mutilation, upon surrender and cancellation of this Warrant, the Company will execute and deliver a new Warrant of like tenor.

6. Registration Rights.

If the Company proposes to register any of its equity securities under the Securities Act of 1933, as amended (the "Securities Act") for sale to the public for cash or for the account of security holders, (including by reason of a piggyback registration for such security holders) on each such occasion the Company will give written notice to the Holder of this Warrant, no less than fifteen (15) business days prior to the anticipated filing date, of its intention to do so. Upon the written request of the Holder of this Warrant to register any or all Warrant Shares underlying this Warrant ("registrable securities"), the Company will cause the registrable securities as to which registration shall have been so requested to be included in the securities to be covered by the Registration Statement proposed to be filed by the Company, all to the extent requisite to permit the sale or other disposition by the holder of such registrable securities. This Section and the piggyback registration rights afforded to the Holder shall not apply to any registration by the Company on Form S-8 pursuant to which only shares of common stock are registered. In the event Holder exercises its piggyback registration rights hereunder, the Holder shall provide the Company with such information concerning the holder as is required to register the re-sale of the Holder's shares

using the SEC form chosen by the Company. Notwithstanding the foregoing, the number of registrable securities that may be included in any registration statement may be limited to such number as the managing underwriter for such public offering or the Company reasonably believes will not adversely affect the public offering or the price per Share to the Company in such public offering.

7. No Rights or Liabilities as Stockholder; No Impairment.

Nothing contained in this Warrant shall be determined as conferring upon the Holder any rights as a stockholder of the Company or as imposing any liabilities on the Holder to purchase any securities whether such liabilities are asserted by the Company or by creditors or stockholders of the Company or otherwise. Prior to exercise of this Warrant, and except as otherwise provided in this Warrant or the Award Agreement, the Holder shall not be entitled to any rights of a stockholder with respect to the Company Equity.

The Company shall not, by amendment of its certificate of incorporation, bylaws, or similar organization document, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder, but shall at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may reasonably be requested by the Holder in order to protect the exercise rights of the Holder against dilution or other impairment, consistent with the tenor and purpose of this Warrant.

8. Miscellaneous.

(a) Fees and Expenses of Counsel. The Company shall pay the reasonable fees and expenses of counsel to 43North in connection with any transaction or other matter requiring the involvement of 43North's legal counsel or other outside professionals. In connection with any transaction, such fees and expenses shall be paid by the Company at closing of the transaction. For clarity, the foregoing requirement shall include any matter brought before shareholders or the Holder as a holder of this Warrant that the Holder, in its reasonable judgment, believes requires consultation with legal counsel.

(b) Entire Agreement. This Warrant and the Award Agreement constitute the entire agreement between the Company and the Holder with respect to the Warrants. No modification or amendment of this Warrant shall be valid unless in writing signed by both the Company and the Warrant Holder.

(c) Binding Effect; Benefits. This Warrant shall inure to the benefit of and shall be binding upon the Company and the Holder and their respective heirs, legal representatives, successors and assigns. Nothing in this Warrant, expressed or implied, is intended to or shall confer on any person other than the Company and the Holder, or their respective heirs, legal representatives, successors or assigns, any rights, remedies, obligations or liabilities under or by reason of this Warrant.

(d) Section and Other Headings. The section and other headings contained in this Warrant are for reference purposes only and shall not be deemed to be a part of this Warrant or to affect the meaning or interpretation of this Warrant.

(e) Pronouns. All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require.

(f) Further Assurances. Each of the Company and the Holder shall do and perform all such further acts and things and execute and deliver all such other certificates, instruments and documents as the Company or the Holder may, at any time and from time to time, reasonably request in connection with the performance of any of the provisions of this Agreement.

(g) Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8(g)).

If to the Company:

With a copy to:

If to the Holder: 43North LLC
1 West Seneca Street, 24th Floor
Buffalo, New York 14203
Attn: President

With a copy to: Kavinoky Cook LLP
726 Exchange Street, Suite 800
Buffalo, New York 14210
Attn: Jonathan Gardner

(h) Separability. Any term or provision of this Warrant which is invalid

or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the terms and provisions of this Warrant or affecting the validity or enforceability of any of the terms or provisions of this Warrant in any other jurisdiction.

(i) Assignment.

This Warrant and all rights hereunder are transferable by the Holder without charge to the Holder, upon surrender of this Warrant to the Company with a properly completed and duly executed Assignment in the form attached hereto as **Exhibit B**. Upon such surrender of this Warrant and delivery of the Assignment, the Company shall execute and deliver a new Warrant in the name of the assignee and shall issue to the assignor such new Warrant and this Warrant shall be cancelled. In addition, Holder may designate another party to receive securities issued upon exercise of this Warrant. For clarity, 43North Foundation, Inc, if so designated, may receive the Warrant Shares issued pursuant to this Warrant and is deemed to be a permitted transferee hereunder.

Without limiting any other rights of the Holder hereunder, in the event: (i) that, as a result of this Warrant or the Warrant Shares issuable hereunder, the Holder is granted any right to participate in future offerings of the Company's equity securities (the "Participation Rights") and (ii) the Holder does not wish to utilize such Participation Rights, the Holder may assign such Participation Rights to the New York State Urban Development Corporation d/b/a Empire State Development ("ESD"). The Company further agrees and covenants any instrument memorializing Participation Rights granted to the Holder (if any) shall describe, in reasonable detail, the right of the Holder to assign its Participation Rights to ESD contained in this Section 8(i). The parties acknowledge and agree that, as of the date of this Warrant, the Holder does not possess any Participation Rights, and the Company has not undertaken any obligation to grant Participation Rights to the Holder in the future.

(j) Governing Law, Venue; Submission to Jurisdiction. This Warrant shall be deemed to be a contract made under the laws of New York and for all purposes shall be governed by and construed and enforced in accordance with the laws of such state applicable to such agreements made and to be performed entirely within such state, exclusive of conflicts of law principles that would apply the law of another jurisdiction. Exclusive venue for any legal action arising from this Warrant shall be in the State courts located in Erie County, New York or in the Federal Court for the Western District of New York. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

(k) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING

OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT, ANY DOCUMENT EXECUTED BY ANY PARTY PURSUANT TO THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER OR THEREUNDER.

[SIGNATURE PAGE FOLLOWS]

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

[NAME OF AWARDEE]

By: _____
Name, Title

ACKNOWLEDGED AND AGREED: HOLDER
43NORTH, LLC

By: _____

EXHIBIT A

NOTICE OF CONVERSION

(To be executed upon exercise of this Warrant)

[COMPANY NAME]

Attention: Corporate Secretary

The undersigned hereby elects to purchase, pursuant to the provisions of the Warrant, as follows:

_____ shares of _____ stock/membership interests pursuant to the terms of the attached Warrant, and tenders herewith payment in cash of the Closing Price of such shares of Common Stock/Membership Interests in full, together with all applicable transfer taxes, if any.

43NORTH, LLC

Date: _____

By: _____

Address: _____

Name in which shares should be registered:
