

GROW-NY WARRANT AGREEMENT

COMPANY	
STATE OF FORMATION	
TYPE OF ENTITY	
HOLDER	CORNELL UNIVERSITY
DATE OF AGREEMENT	
WARRANT PERCENTAGE	[3% for \$1 million investment; 2% for \$250,000 and \$500,000 investments]
GOVERNING LAW	NEW YORK

THIS CERTIFIES THAT, for value received, the Holder is entitled to receive from the Company the Equity Securities as set forth in this Warrant.

1. Definitions.

- (a) “Act” means the Securities Act of 1933.
- (b) “Common Equity Interests” means the Company’s common stock, if the Company is a corporation, or the equivalent form common equity security such as of a membership interest or membership unit if the Company is a limited liability company.
- (c) “Common Equity Interests Election” means the election of the Holder for the Equity Securities under this Warrant to be shares of Common Equity Interests in accordance with Section 4.
- (d) “Company” means the company issuing this Warrant as listed at the top of this Warrant.
- (e) “Equity Securities” means (a) Common Equity Interests; (b) Preferred Equity Interests; (c) any securities conferring the right to purchase Common Equity Interests; or (d) any securities directly or indirectly convertible into, or exchangeable for (with or without additional consideration) Common Equity Interests. Notwithstanding the foregoing, the following will not be considered “Equity Securities”: (i) any security granted, issued or sold by the Company to any director, officer, employee, consultant or adviser of the Company for the primary purpose of soliciting or retaining their services; (ii) any convertible promissory notes issued by the Company; and (ii) any SAFEs issued by the Company.
- (f) “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- (g) “Financing” means a transaction or series of transactions with the principal purpose of raising capital pursuant to which the Company issues and sells securities (including Common Equity Interests, Preferred Equity Interests, SAFEs, convertible notes, convertible securities or any other Equity Security).
- (h) “Founder” or “Founders” means the founders of the Company who are signatories to this Warrant as listed on the signature page of this Warrant.
- (i) “Fundamental Transaction” means (a) the closing of the sale, transfer or other disposition, in a single transaction or series of related transactions, of all or substantially all of the Company’s assets; (b) the consummation of a merger or consolidation of the Company with or

into another entity (except a merger or consolidation in which the investors of Equity Securities of the Company immediately prior to such merger or consolidation continue to hold a majority of the outstanding voting securities of the Equity Securities of the Company or the surviving or acquiring entity immediately following the consummation of such transaction); or (c) the closing of the transfer (whether by merger, consolidation or otherwise), in a single transaction or series of related transactions, to a “person” or “group” (within the meaning of Section 13(d) and Section 14(d) of the Exchange Act), of the Company’s Equity Securities if, after such closing, such person or group would become the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act) of more than 50% of the outstanding voting securities of the Company (or the surviving or acquiring entity).

(j) “Grow-NY” means the New York Food & Agriculture Challenge competition.

(k) “Grow-NY Investment” means \$_____, which amount is the actual amount to be received by the Company under the Award Agreement between Company and Holder in connection with Grow-NY.

(l) “Holder” means the holder of this Warrant as listed at the top of this Warrant, or its assigns.

(m) “Initial Public Offering” means the closing of the Company’s first firm commitment underwritten initial public offering of Common Equity Interests pursuant to a registration statement filed under the Securities Act.

(n) “Preferred Equity Interests” means any class or series of stock or other equity interests of the Company that has a preference on distribution, liquidation and/or gives the holder the ability to participate in the increased value of the Company.

(o) “Pre-Financing Capitalization” means the sum of (i) the aggregate issued and outstanding shares of the Company’s capital stock assuming the conversion or exercise of all outstanding options, warrants (including this Warrant) and other convertible securities, plus (ii) all shares reserved for future grant under all equity incentive plans of the Company. The Company’s Pre-Financing Capitalization shall be calculated on the date of the earlier of: (i) the final closing of the next Qualified Equity Financing after taking into account all shares issued in such financing; or (ii) the first exercise of this Warrant. For the avoidance of doubt, if the Holder has made a Common Equity Interests Election, the number of shares of Common Equity Interests exercisable under this Warrant shall also be determined at the time of the earlier of the these two events.

(p) “Pro Rata Right” has the meaning ascribed to that term in Section 12.

(q) “Qualified Equity Financing” means a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells Equity Securities at a fixed valuation, including but not limited to, a pre-money or post-money valuation, for aggregate proceeds of at least \$500,000.

(r) “SAFE” means an instrument containing a future right to shares of Equity Securities purchased by investors for the purpose of funding the Company’s business operations.

(s) “Warrant” means this Warrant Agreement and any warrants delivered in substitution or exchange therefor as provided herein.

(t) “Warrant Percentage” means the percentage of equity interest of the Company subject to this Warrant as listed at the top of this Warrant.

2. Receipt of Grow-NY Investment; Conversion of Grow-NY Investment; and Term.

(a) Receipt of Grow-NY Investment. Upon receipt of the Grow-NY Investment, the treasurer, chief financial officer, or other appropriate officer shall credit the additional paid in capital account on the Company’s books and records to reflect the actual amount(s) of the Grow-NY Investment.

(b) Method of Conversion. While this Warrant remains outstanding and exercisable, the Holder may exercise the rights evidenced hereby. Such exercise shall be effected by (i) the surrender of this Warrant, together with a notice of exercise, in substantially the form attached as Exhibit A, to the Secretary of the Company at its principal offices.

(c) Term. This Warrant shall be exercisable, in whole or in part, during the term commencing on the earlier of (i) closing date of the next Qualified Equity Financing occurring after the issuance date of this Warrant and (ii) the date of a Common Equity Interests Election, and ending on the expiration of this Warrant pursuant to Section 19 hereof.

3. Amount of Warrant Equity Securities. Subject to the terms and conditions herein, the Holder is entitled to receive from the Company up to that number of fully paid and nonassessable Equity Securities (the “Warrant Equity Securities”) such that the quotient of (i) the number of Warrant Equity Securities, divided by (ii) the Pre-Financing Capitalization, equals the Warrant Percentage.

4. Common Equity Interests Election. The Holder may make an irrevocable election for the Equity Securities to be Common Equity Interests at any time prior to the earlier of (i) the initial closing of the next Qualified Equity Financing provided that the Holder has received notice in accordance with Section 13, and (ii) the expiration of this Warrant. This election shall be made by the Holder providing written notice to the Company.

5. Automatic Exercise. If the Holder has not elected to exercise this Warrant prior to the expiration of this Warrant, then (a) this Warrant shall automatically (without any act on the part of the Holder) be exercised, effective immediately, prior to the expiration of the Warrant, and (b) the Holder, to the extent necessary to exercise this Warrant pursuant to this Section 5, shall be deemed to have elected for the Equity Securities to be Common Equity Interests. If this Warrant is automatically exercised pursuant to this Section 5, the Company shall notify the Holder of the automatic exercise as soon as reasonably practicable, and the Holder shall surrender the Warrant to the Company.

6. Certificates for Equity Securities. As soon as practicable upon the exercise of this Warrant, the Company shall issue the Holder a certificate for the number of Equity Securities so purchased and, if such exercise is in part, a new warrant (dated the date hereof) of like tenor representing the remaining number of Equity Securities purchasable under this Warrant.

7. Issuance of Equity Securities. The Company covenants that the Equity Securities, when issued pursuant to the exercise of this Warrant, will be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof.

8. Adjustment of Number of Equity Securities. The number of and kind of securities purchasable upon exercise of this Warrant shall be subject to adjustment from time to time as follows:

(a) Subdivisions, Combinations and Other Issuances. If the Company shall at any time prior to the expiration of this Warrant subdivide the Equity Securities (or the Common Equity Interests underlying the Equity Securities, if applicable), by split-up or otherwise, or combine its Equity Securities (or the Common Equity Interests underlying the Equity Securities, if applicable), or issue additional shares of its Equity Securities (or the Common Equity Interests underlying the Equity Securities, if applicable) as a dividend, the number of Equity Securities issuable on the exercise of this Warrant shall be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the purchase price payable per share, but the aggregate purchase price payable for the total number of Equity Securities purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 8(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or if no record date is fixed, upon the making of such dividend.

(b) Reclassification, Reorganization and Consolidation. In case of any reclassification, capital reorganization, or change in the capital stock of the Company (other than as a result of a subdivision, combination, or stock dividend provided for in Section 8(a) above), then the Company shall make appropriate provision so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities and property receivable in connection with such reclassification, reorganization, or change by a holder of the same number of Equity Securities as were purchasable by the Holder immediately prior to such reclassification, reorganization, or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities and property deliverable upon exercise hereof, and appropriate adjustments shall be made to the purchase price per share payable hereunder, provided the aggregate purchase price shall remain the same.

(c) Notice of Adjustment. When any adjustment is required to be made pursuant to this Section 8, the Company shall promptly notify the Holder of such event and of the number of Equity Securities or other securities or property thereafter purchasable upon exercise of this Warrant.

9. Reservation of Equity Securities. The Company agrees during the term the rights under this Warrant are exercisable to reserve and keep available from its authorized and unissued equity capital for the purpose of effecting the exercise of this Warrant such number of Equity Securities (and shares of Common Equity Interests for issuance upon conversion of such Equity Securities, if applicable) as shall from time to time be sufficient to effect the exercise of the rights under this Warrant.

10. No Fractional Equity Securities or Scrip. No fractional shares or scrip representing fractional Equity Securities shall be issued upon the exercise of this Warrant, but in lieu of such fractional Equity Securities the Company shall make a net cash payment therefor on the basis of the Exercise Price then in effect.

11. Financial and Other Reports. Until the earliest to occur of: (i) the expiration of this Warrant, (ii) the Company's Initial Public Offering, and (iii) a Fundamental Transaction, the Company shall furnish to Holder: (a) contemporaneously with delivery to the Board of Directors

after the close of each fiscal year of the Company, a balance sheet, together with an income statement, a cash flow statement and a statement of changes in equity, for such fiscal year, in the same form as such annual financial statements are furnished to the Board of Directors, together with an annual report from the Company providing a summary of the Company's financial results and the Company's progress during such period; (b) upon request, an unaudited balance sheet, income statement and cash flow statement, each at and as of the end of any quarter; (c) upon request, an up to date, detailed capitalization table of the Company listing the holdings of each equity holder of the Company; (d) upon request, copies of all materials provided to the Board of Directors, including presentations and updates for Board of Directors meetings; and (e) any other financial information of the Company as the Holder may reasonably request from time to time; provided however, the Company shall not be required to furnish the information required under the immediately preceding clauses (a) and (b) to the extent that such information has not been prepared.

12. Pro Rata Investment Rights. With respect to every Financing conducted by the Company, the Holder shall have a right to invest in such Financing to maintain Holder's ownership percentage of the Company's outstanding capitalization (the "Pro Rata Right"). The Holder will be entitled to apportion the Pro Rata Right among itself and its affiliates in its sole discretion, such affiliates including but not limited to Empire State Development. The Company will offer the Holder the option to purchase all of Holder's pro rata share of the securities issued by the Company in every Financing, and Holder may elect to purchase all or some portion of such pro rata share, as determined by Holder in its sole discretion. Holder's pro rata share will be calculated based on the ratio of (i) the aggregate number of shares of Equity Securities (on an as-converted and as-exercised basis) of the Company owned by the Holder and its affiliates at the time of the Financing to (ii) the Pre-Financing Capitalization, excluding any unallocated shares reserved for grant under the equity incentive plans of the Company, calculated as of immediately prior to the consummation of each Financing. Prior to the Company's first Qualified Equity Financing, the Holder's percentage ownership of the Company's outstanding capitalization shall be deemed to be the Warrant Percentage.

13. Notice of Certain Events. (a) The Company will provide not less than ten (10) business days' prior notice to Holder of any proposed Financing. In connection with a Financing, the Company will furnish to the Holder all of the applicable Financing documents, a pro forma capitalization table, and any other information relevant to the Financing. (b) The Company will provide the Holder at least ten (10) business days' prior notice of a proposed Fundamental Transaction pursuant to which the Holder will be party to any transaction documents and will provide drafts of such transaction documents as early as practicable. The Company will provide the Holder prompt notice of any completed Fundamental Transaction following the consummation of such transaction, which notice will provide (i) the aggregate transaction consideration and (ii) the Holder's portion of the transaction consideration and the details of any holdback, escrow or other material provisions regarding the payment of consideration. (c) The Company will provide the Holder at least ten (10) business days' prior notice to (i) the declaration of any dividend or distribution upon the outstanding shares of stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend, (ii) effecting any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Company's stock, (iii) effecting any dissolution or wind up of the Company, or (iv) effecting the Company's initial, underwritten public offering. (d) In addition to the Company's notice obligations contained in this Section 13, in any case: (i) the Company shall provide the Holder a reasonable opportunity to exercise this Warrant or take other actions necessary to participate in the benefits provided to the Company's equity holders in connection with any of the foregoing actions; (ii) in the event of any Fundamental Transaction, restructuring, reincorporation, sale of material assets

or any other material transaction which may impact the value of this Warrant, the Company shall take all actions necessary to provide the Holder with the full economic benefits owed to the Holder under the terms of this Warrant, and otherwise compel any acquirer or third party to comply with all provisions of this Warrant, including the full assumption of all the terms and conditions of this Warrant. (e) The Company will notify the Holder within five (5) business days of any changes to the composition of the Board of Directors or the termination of services with respect to any Founder. (f) The required notices in this Section 13 shall be provided to Holder in accordance with the notice provisions in Section 20. For the avoidance of doubt, this Section 13 does not provide Holder with any consent rights to any of the Company actions listed.

14. Indemnification by the Company. The Company shall indemnify, defend and hold harmless the Holder from and against any and all losses, damages, liabilities, costs and expenses, including attorneys' fees and other legal expenses, arising directly or indirectly from or in connection with any breach by the Company of any of the representations, warranties or covenants contained in this Warrant.

15. Confidentiality. Holder agrees to keep confidential and not disclose, divulge, or use for any purpose (other than to monitor its interests in the Company) any confidential information obtained from the Company pursuant to the terms of this Warrant, unless such confidential information (a) is known or becomes known to the public in general, (b) is or has been independently developed or conceived by the Holder without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Holder by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that the Holder may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its interests in the Company; (ii) to any affiliate, provided that the Holder will direct the affiliate to maintain the confidentiality of such information; or (iii) as may otherwise be required by law, provided that the Holder promptly notifies the Company of such disclosure, if permissible by law, and takes reasonable steps to minimize the extent of any such required disclosure.

16. Representations and Agreements of the Company. The Company represents that all corporate actions on the part of the Company, its officers, directors, managers and equity holder necessary for the sale and issuance of this Warrant have been taken.

17. Representations and Warranties by the Holder. The Holder represents and warrants to the Company as follows: (a) This Warrant and the Equity Securities issuable upon exercise hereof are being acquired for its own account, for investment and not with a view to, or for resale in connection with, any distribution or public offering within the meaning of the Act. (b) The Holder understands that this Warrant and the Equity Securities have not been registered under the Act by reason of their issuance in a transaction exempt from the registration and prospectus delivery requirements of the Act pursuant to Section 4(2) thereof, and that they must be held by the Holder indefinitely, and that the Holder must therefore bear the economic risk of such investment indefinitely, unless a subsequent disposition thereof is registered under the Act or is exempted from such registration. (c) The Holder has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the acquisition of this Warrant and the Equity Securities purchasable pursuant to the terms of this Warrant. (d) The Holder is able to bear the economic risk of the purchase of the Equity Securities.

18. Warrants Transferable. Subject to compliance with the terms and conditions of this Section 18, this Warrant and all rights hereunder are transferable, in whole or in part, without charge to the Holder (except for transfer taxes), upon surrender of this Warrant properly endorsed

or accompanied by written instructions of transfer. With respect to any offer, sale or other disposition of this Warrant prior to registration of such Warrant, the Holder agrees to give written notice to the Company prior thereto, describing briefly the manner thereof, and the Company shall cooperate with Holder to record such transfer on the books of the Company upon the completion of such transfer.

19. Expiration of Warrant. This Warrant shall expire and no longer be exercisable upon the earlier of (a) the consummation of any Fundamental Transaction or (b) 5:00 p.m. Eastern time on the [fifteen (15)] year anniversary of the issuance date of this Warrant.

20. Notices. All notices hereunder shall be effective when given, and shall be deemed to be given upon receipt or, if earlier, (a) upon delivery, if delivered by hand, (b) one business day after the business day of deposit with an internationally recognized, overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt, or (c) upon actual receipt if given by electronic mail and such receipt is confirmed by the recipient. All notices to the Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise: Cornell University 222 Day Hall, Ithaca, NY 14853 ATTN: Tom Schryver. All notices to the Company shall be sent to the address or the electronic mail address listed on the signature page to this Warrant.

21. Governing Law. This Warrant shall be governed by the laws of the jurisdiction listed as “Governing Law” at the top of this Warrant, without regard to the conflicts of law provisions of any jurisdiction. This Warrant shall include the applicable provisions in Exhibit B attached to this Warrant as provided therein.

22. Dispute Resolution.

(a) If a dispute arises from or relates to this Warrant, and if the dispute cannot be settled through direct discussions, the parties agree to endeavor first to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures in Ithaca, New York. If the parties cannot settle the dispute by mediation, the dispute shall adjudicated in accordance with Section 22(b).

1. (b) The Company and Holder hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Warrant shall be brought only in State or Federal courts located in and for Tompkins County, New York (the “Designated Courts”), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Designated Courts for purposes of any action or proceeding arising out of or in connection with this Warrant, (iii) waive any objection to the laying of venue of any such action or proceeding in the Designated Courts, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Designated Courts has been brought in an improper or inconvenient forum.

23. Rights and Obligations Survive Exercise of Warrant. Unless otherwise provided herein, the rights and obligations of the Company, of the Holder and of the holder of the Equity Securities issued upon exercise of this Warrant, shall survive the exercise of this Warrant.

24. Amendments and Waivers. No modification of or amendment to this Warrant, nor any waiver of any rights under this Warrant, will be effective unless in a writing signed by the Company and the Holder. Waiver by the Holder of a breach of any provision of this Warrant will not operate as a waiver of any other or subsequent breach.

25. No Impairment. The Company shall not, by amendment of its Certificate of Incorporation or through a reorganization, reincorporation, 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 under this Warrant by the Company, but shall at all times in good faith assist in carrying out of all the provisions of this Warrant and in taking all such action as may be necessary or appropriate to protect the Holder's rights under this Warrant against impairment.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Warrant to be duly executed and delivered.

[COMPANY]

By: _____

Name:

Title:

Address:

Email:

CORNELL UNIVERSITY

By: _____

Name:

Title:

Address:

Email:

Exhibit A

FORM OF TRANSFER

(To be signed only upon transfer of Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the right represented by the attached Warrant to purchase _____ shares of _____ of [*insert name of company*] to which the attached Warrant relates, and appoints _____ Attorney to transfer such right on the books of _____, with full power of substitution in the premises.

Dated: _____

(Signature must conform in all respects to name of Holder as specified on the face of the Warrant)

Address:

Signed in the presence of:

Exhibit B

WARRANT PROVISIONS APPLICABLE TO U.S. COMPANIES AND U.S. HOLDERS

The Company and Holder agree that the following provisions shall apply in the case that (i) the Company was incorporated or otherwise located in the United States, and/or (ii) the Holder is located in the United States:

1. Warrant Header. THIS WARRANT AND THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SUCH ACT AND/OR APPLICABLE STATE SECURITIES LAWS, OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

2. Restrictive Legend. The Equity Securities (unless registered under the Securities Act of 1933, as amended (the "Act")) shall be stamped or imprinted with a legend in substantially the following form: THE EQUITY SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. SUCH EQUITY SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. COPIES OF THE AGREEMENT COVERING THE PURCHASE OF THESE EQUITY SECURITIES AND RESTRICTING THEIR TRANSFER MAY BE OBTAINED AT THE PRINCIPAL EXECUTIVE OFFICES OF THE COMPANY.

3. "Market Stand-Off" Agreement. The Holder shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any Common Equity Interests (or other securities) of the Company held by the Holder (other than those included in the registration) during the one hundred eighty (180) day period following the effective date of the registration statement for the Company's initial public offering filed under the Act (or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (a) the publication or other distribution of research reports and (b) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), provided that all officers and directors of the Company and all holders of at least one percent (1%) of the Company's voting securities are bound by and have entered into similar agreements. The Company may impose stop-transfer with respect to the shares of Common Equity Interests (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day (or other) period. The Holder agrees to execute a market standoff agreement with said underwriters in customary form consistent with the provisions of this Section 3.

4. Corporate Securities Laws. The transfer and issuance of any securities under the terms of this Warrant shall be done in compliance with applicable Blue Sky laws.