

PURCHASE AGREEMENT

PREFERRED STOCK PURCHASE AGREEMENT

THIS [SERIES A PREFERRED STOCK] PURCHASE AGREEMENT ("Agreement") is made as of [date], by and between [Company], a [jurisdiction of incorporation] corporation (the "Company"), and [Purchaser] (the "Purchaser," which term includes successors and assigns). This Agreement is made with reference to the following facts:

- A. The Purchaser is willing to purchase for cash a fixed number of preferred shares of the Company's capital stock;
- B. The Company desires to sell a fixed number of preferred shares of the Company's capital stock to the Purchaser; and
- C. Certain defined terms used in this Agreement are referenced in Section 8. hereof.

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and the Purchaser hereby agree as follows:

1. **Sale of Preferred Shares.** Subject to the terms and conditions of this Agreement, the Purchaser hereby purchases, and the Company hereby sells to the Purchaser, [number of shares] shares of the Company's [Series A Preferred Shares] (the "Shares") at a price of [price in words] dollars (\$[price in numbers]) per share, for an aggregate sum of [aggregate sum in words] dollars (\$[aggregate sum in numbers]) (the "Purchase Price").
2. **Closing.** The purchase and sale of the Shares shall take place at the offices of the Company, once this Agreement has been signed by both parties, or at such other place and time as the Company and the Purchaser shall mutually agree, either orally or in writing (the "Closing"). At the Closing, the Purchaser shall pay the Purchase Price to the Company by check, wire transfer, cancellation of indebtedness, or such other form of payment as shall be mutually agreed upon by the Purchaser and the Company. At the Closing, subject to the terms and conditions hereof, the Company shall deliver to the Purchaser a certificate, registered in the name the Purchaser designates by notice to the Company, representing the Shares purchased by the Purchaser, dated the date of the Closing.
3. **Representations and Warranties of the Company.** The Company hereby represents and warrants to the Purchaser as follows:
 - a. **Organization And Standing; Corporate Documents.** The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of [insert state name], and has all requisite corporate power and authority to own and operate its properties and assets and to carry on its business as presently conducted. The Company has furnished to the Purchaser copies of the Company's Articles of Incorporation, its Bylaws and Stock Registration Rights Agreement. Said copies are true, correct and complete and contain all amendments through the date of the Closing.
 - b. **Capitalization.** The authorized capital stock of the Company, immediately prior to the Closing, will consist of (a) [total authorized common shares] shares of Common Shares, [number of common shares for issuance] shares of which are issued and outstanding or committed for issuance on the date hereof; and (b) [total authorized preferred shares] shares of Preferred Shares, of which [number of preferred shares for issuance] shares have been designated [Series A Preferred Shares], some of which are being sold and issued to the Purchaser pursuant to this Agreement. All issued and outstanding shares of the Company's capital stock have been duly authorized and validly issued and are fully paid and non-assessable.
 - c. **Authorization.** All corporate action on the part of the Company, its officers, directors and shareholders necessary for the authorization, execution and delivery of this Agreement, the performance of all the Company's obligations under this Agreement and the Stock Registration Rights Agreement, and for the authorization, issuance, sale and delivery of the Shares and the Common Shares issuable upon conversion thereof ("Underlying Common Shares") has been taken prior to the Closing. This Agreement, when executed and delivered by the Company and the Purchasers, and the Stock Registration Rights Agreement shall constitute valid and legally binding obligations of the Company, enforceable in accordance with their respective terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors.
 - d. **Validity of the Shares.** The Shares and the Underlying Common Shares will be validly issued, fully paid and non-assessable.
4. **Representations and Warranties of the Purchaser.** The Purchaser hereby represents and warrants to the Company as follows:

- a. **Authorization.** The Purchaser has the requisite legal power and authority to enter into this Agreement and that this Agreement when executed shall constitute a valid and legally binding obligation of the Purchaser.
- b. **Investment Intent.** The Shares are being acquired with the Purchaser's own funds for investment for an indefinite period for its own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, and the Purchaser has no present intention of selling, granting participation in or otherwise distributing the same. The Purchaser does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations, to such person or to any third person, with respect to any of the Shares.
- c. **Reliance Upon The Purchaser's Representations.** The Purchaser understands (i) that the Shares are not, and the Underlying Common Shares acquired on conversion thereof at the time of issuance may not be, registered under the Securities Act or qualified under any state's securities laws, including [applicable state securities statute], as amended (the "Law"), and (ii) that the Shares are being issued to the Purchaser on the ground that the sale provided for in this Agreement and the issuance of securities hereunder is exempt from registration under the Securities Act pursuant to Section 4(a)