

THE PARTICIPANT IS ADVISED TO SEEK ADVICE ON HIS OR HER FINANCING OPTIONS FROM A TRUSTED ADVISOR BEFORE SIGNING THIS AGREEMENT.

THIS AGREEMENT IS NEITHER A LOAN, CREDIT NOR AN ASSIGNMENT OF WAGES. IT REPRESENTS THE PARTICIPANT'S OBLIGATION TO PAY A SPECIFIC PERCENTAGE OF HIS OR HER FUTURE EARNED INCOME AND DOES NOT GIVE RIGHTS TO INVESTOR REGARDING THE PARTICIPANT'S EDUCATIONAL, TRAINING, OR EMPLOYMENT PURSUITS. THE TOTAL AMOUNT THE PARTICIPANT WILL PAY UNDER THIS AGREEMENT WILL VARY DEPENDING UPON THE PARTICIPANT'S FUTURE EARNED INCOME AND MAY BE MORE OR LESS THAN THE AMOUNT OF FUNDS THE PARTICIPANT RECEIVES

### INCOME SHARING AGREEMENT

THIS INCOME SHARING AGREEMENT (this "**Agreement**") is entered into on January 28th, 2022 ("**Effective Date**"), by and between David Vargas, an individual residing at 123 Main St, Gotham, 12345 (the "**Participant**"), any corporate entity that may be founded by the Participant during the Payment Term, which executes a Joinder Agreement to this Agreement (each such corporate entity being a "**Company**" or collectively the "**Companies**"), and {investor\_company}, a company registered and organized under the laws of {investor\_location}, and its successors and assigns (the "**Investor**"). The Participant and Investor may each be referred to as a "*party*", and together, the "*parties*".

NOW THEREFORE, in consideration of the promises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**1. Definitions.** In addition to the definitions listed above and as otherwise called out in this Agreement, the following definitions apply to terms used in this Agreement:

- (a) "**Agreement**" means this Income Sharing Agreement.
- (b) "**Ancillary Agreements**" means any other agreements entered into by and between Investor, Participant, and/or Company in connection with this Agreement, relating to the issuance of certain equity interests of the Company to Investor.
- (c) "**Business Day**" means Monday through Friday, except for federal holidays in United States.
- (d) "**Investor**" has that meaning set forth in the preamble.
- (e) "**Company**" shall be any privately held corporation, limited liability company, or other similar entity which, prior to and/or the duration of the term, the Participant incorporates or otherwise creates, either alone or in conjunction with others, or otherwise holds a material equity interest in.

(f) **"Earned Income"** means the Participant's total wages, compensation and gross income from self-employment, and other income, as reported or required to be reported for income tax purposes. For example, for U.S. individual taxpayers for the 2018 tax year, this includes the sum of: (a) line 1 (Wages, salaries, tips, etc.) of IRS Form 1040; (b) line 12 (Business income or (loss)) of Schedule 1 (IRS Form 1040); (c) line 17 (Rental real estate, royalties, partnerships, S corporations, trusts, etc.) of Schedule 1 (IRS Form 1040) less any passive income or loss on lines 29a column h and 34a column d of Schedule E (IRS Form 1040); (d) line 21 (Other income) of Schedule 1 (IRS Form 1040), but not including any net operating loss deduction claimed on such line; and (e) line 34 (Net farm profit or (loss)) of Schedule F (IRS Form 1040). For later tax years, Earned Income includes equivalent information reported or required to be reported on the same or any successor IRS forms. Earned Income also includes Participant's pro rata share of net income retained by any legal entity based on Participant's ownership interest and/or active participation in such entity or entities; distributions from Participant's active participation in any legal entity or entities to the extent not already included; and any non-cash consideration received or deemed earned by Participant, directly or indirectly, including, but not limited to, contributions to qualified and non-qualified deferred compensation and retirement benefit plans, fringe benefits not reported as wages for compensation, and equity rights or deferred compensation generated or attributable to the current period of Participant's employment. In addition, Earned Income includes any amounts earned by or payable to Participant, directly or indirectly, as a result of participant's provision of services to any related party. If applicable, "Earned Income" includes all income reported on a joint income tax return, minus, to the extent documented to Investor' satisfaction, any income earned solely by the Participant's spouse. In Investor' discretion, Investor may estimate the Participant's Earned Income using documentation other than the Participant's U.S. federal income tax return, provided the documentation is another verifiable source acceptable to Investor. "Earned Income" shall not include the public equities holdings and other sources of sources of passive income (such as REITs, rental income, alimony, etc.) that were: (i) acquired prior to the Effective Date and (ii) listed on Exhibit B attached hereto.

(g) **"Effective Date"** has that meaning set forth in the preamble.

(h) **"Formal Earned Income Documentation"** means a year-end pay stub, Form W-2, Form 1099, Schedule K-1, or other verifiable source acceptable to Investor for each source of Earned Income in the prior calendar year.

(i) **"Fees"** has that meaning set forth in Section 10.

(j) **"Funding Amount"** means \$90,000, which shall be distributed to Participant in a single payment on the Effective Date. Investor and Participant may, from time to time, agree to increase the funding amount in writing by both parties. For the avoidance of doubt, any increase in the funding amount shall not adversely affect any obligations owing by Participant to Investor, including but not limited to the obligation of Participant to pay the entire Payment Cap (inclusive of any Funding Amount increases) within the Payment Term.

(k) **"Income Hurdle"** means \$18,000 annually.

(l) **"Income Share"** means 12%. The Income Share percentage is not an interest rate or annual percentage rate.

(m) **"Informal Earned Income Documentation"** means a copy of any pay stub or letter from the Participant's employer containing the Participant's salary information, a self-employment contract, a consulting agreement, a good faith estimate of the Participant's self-employment income for the current calendar year (along with documentation of the basis for such estimate), or another verifiable source acceptable to Investor for each source of Earned Income.

(n) **"Monthly Payment"** means the Income Share multiplied by the amount of Earned Income, **in excess of** the annual Income Hurdle.

(o) **"Participant"** has that meaning set forth in the preamble.

(p) **"Payment Cap"** means 3 times the Funding Amount.

(q) **"Payment Term"** means 72 months.

(r) **"Qualified Financing"** shall have that meaning set forth in Section

8.

(s) **"Sale of the Company"** shall mean in the context of each Company, (i) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, continue to hold at least a majority of the voting power of the surviving entity in substantially the same proportions (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization; (ii) any transaction or series of related transactions to which the Company is a party in which in excess of 50% of the Company's voting power is transferred; or (iii) the sale or transfer of all or substantially all of the Company's assets, or the exclusive license of all or substantially all of the Company's material intellectual property; *provided, however*, that a Sale of the Company shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor, indebtedness of the Company is cancelled or converted, or a combination thereof.

(t) **"Disability Statement"** means a statement in writing presented by Participant when the Participant wishes to obtain a waiver based on total and permanent disability, and which is accompanied by a physician's statement and such other information or documentation that Investor may require, showing that the Participant is unable to work in any occupation due to a condition that began or deteriorated after the date of this Agreement.

## 2. Payment.

(a) *Payment Term.* The Participant's Payment Term begins on the first day of the month following the Effective Date. The Payment Term may be suspended in certain circumstances as explained in Section 3.

(b) *Monthly Payments.* Except as set forth below, during the Payment Term, (i) a Company at which Participant is currently employed full time, on behalf of Participant, or (ii) in the event Participant is not employed by a Company, the Participant, agrees to make Monthly Payments to Investor by the 10th calendar day of each month unless the Participant and Investor agree to a different date in writing (via email acceptable). A schedule of the Monthly Payments and their respective due dates are attached hereto as Schedule A. Payments are applied first to Fees, if any, and then to the Monthly Payment owed. Should the Participant and/or the applicable Company, as the case may be, make all required payments on time during the Payment Term, the Participant will not owe anything at the end of the Payment Term even if the Participant's aggregate payments are less than his or her Funding Amount. Any Company which is making monthly payments for Participant shall process all Monthly Payments to Investor through its regular payroll procedures, or as otherwise directed by Investor in its reasonable discretion, for so long as the Company is obligated to make Monthly Payments on behalf of Participant. For the avoidance of doubt, in the event Participant no longer provides services to the Company, or the Company winds down or otherwise ceases operations, Participant shall continue to be individually responsible for all Monthly Payments and all other obligations contained herein.

(c) *Calculation of Initial Monthly Payments.* On the Effective Date, Participant shall provide, or shall cause to be provided to Investor, dated not earlier than thirty (30) days before the date the Participant provides it to Investor, a copy of any pay stub or letter from the Company (if applicable) or Participant's current employer containing the Participant's salary information, a self-employment contract, a consulting agreement, a good faith estimate of the Participant's self-employment income for the current calendar year (along with documentation of the basis for such estimate), or another verifiable source acceptable to Investor for each source of Earned Income (collectively, "**Informal Earned Income Documentation**").

(d) *Annual Reconciliation.* On or before April 30th of each year of the Payment Term and April 30 following the end of the Payment Term, the Participant agrees to provide Investor with:

(i) A completed and signed IRS Form 4506T or Form 4506T-EZ (or any successor form) designating Investor as a recipient of a transcript of the Participant's tax return information for returns covering any and all months of the Participant's Payment Term, dated no earlier than thirty (30) days before the date the Participant provides it to Investor; and a year-end pay stub, Form W-2, Form 1099, Schedule K-1, or other verifiable source acceptable to Investor for each source of Earned Income in the prior calendar year (collectively, "**Formal Earned Income Documentation**").

(ii) Investor will review the Formal Earned Income Documentation to determine whether the payments the Participant made in the prior calendar year were greater or lesser than what the Participant actually owed. If the Participant underpaid, Investor will invoice the Participant for, and the Participant agrees to pay, the difference by the deadline stated in the invoice. If the Participant overpaid, Investor will apply excess amounts first to unpaid Fees and second as a credit toward future payments due. If the Participant overpaid in the final year of the Participant's Payment Term, Investor will refund such excess amounts.

(e) *Annual Adjustment of Monthly Payments.* The Investor will re-estimate the Participant's Monthly Payment effective each June 1. The Participant has two options relating to the re-estimation of the Monthly Payment:

(i) On or before April 30 of each calendar year of the Payment Term, the Participant can provide the Investor with Informal Earned Income Documentation for each source of Earned Income for the current calendar year and Investor will use this to re-estimate the Participant's Monthly Payments; or

(ii) if the Participant chooses to not provide Investor with new documentation pursuant to Section 2, Investor will assume the Participant's Earned Income has increased by ten (10) percent and adjust the Participant's Monthly Payments accordingly, beginning with the payment due [June 1]. Since this is an estimate of the Participant's current Earned Income, it may result in Monthly Payments that are either higher or lower than what the Participant actually owes. Any over or underpayments will be reconciled the following calendar year as described in Section 2(d).

(f) *Periodic Adjustment of Monthly Payments.* The Participant will inform Investor of any changes in his or her monthly Earned Income within thirty (30) days of such change and send Investor an updated Informal Earned Income Documentation as soon as it is available to the Participant. Upon receipt of such Informal Earned Income Documentation, Investor shall make commercially reasonable efforts to recalculate the Participant's Monthly Payments for such period. In addition, if information that the Participant provides pursuant to Section 6 shows that the Participant's Earned Income has changed during the year, Investor may, at its sole and absolute discretion, modify Monthly Payments at the time even if the Participant did not supply Investor with updated Informal Earned Income Documentation. Periodic modifications in the Participant's Monthly Payments may avoid significant underpayments or overpayments during the annual reconciliation process set forth in Section 2(d).

(g) *Change in Employment; Liquidity Events.*

(i) In the event the Participant is no longer employed by or not actively providing services to a Company, or, subject to Section 2(g)(ii) below, in the event of a Sale of the Company prior to the end of the Payment Term, then such Company shall be under no further obligation to make Monthly Payments to Investor on

behalf of Participant, and Participant shall take full responsibility for the remittance of all Monthly Payments to Investor.

(ii) If (1) the Company consummates a Sale of the Company prior to end of the Payment Term or payment of the Payment Cap and (2) the Participant is providing services to the Company at the time of the Sale of the Company, then (a) the Company will give Investor at least five days prior written notice of the anticipated closing date of such Sale of the Company and [(b) at the closing of such Sale of the Company, in full satisfaction of the Participant's obligations under this Agreement, the Company will pay Investor an aggregate amount equal to the Payment Cap less any Monthly Payments already made, plus any outstanding Fees.]

### **3. Reserved.**

**4. Company Joinder.** Any corporate entity (i) founded or created by Participant individually or in conjunction with others prior to or during the Payment Term shall be required to sign a Joinder Agreement in substantially the form of Exhibit A attached hereto and shall become a "Company" for the purposes of this Agreement. The Investor shall have the sole authority to determine if a corporate entity related to Participant will be required to execute a Joinder Agreement, provided, however that such determination shall be made in good faith

**5. Notice of Certain Changes.** The Participant agrees to notify Investor within thirty (30) days of any change in the following:

- (a) Primary residence address, phone number or email, or any other material change to information previously provided to Investor;
- (b) Employment status, including both termination of employment and new employment;
- (c) Monthly Earned Income; and
- (d) Marital status, to the extent reasonably required for Investor to exclude earnings of the Participant's spouse from the calculation of the Participant's Earned Income.

**6. Tax Returns.** For the tax year in which the Participant's Payment Term begins through the tax year in which the Participant's Payment Term ends, the Participant agrees to file the Participant's U.S. federal income tax returns no later than [April 15] of the following year. The Participant agrees to notify Investor of any extension the Participant seeks for filing federal income tax returns. Moreover, if requested by Investor, the Participant agrees to sign and file IRS Form 4506-T or Form 4506T-EZ (or any successor form) designating Investor as the recipient of the Participant's tax return information for returns covering any and all years of the Payment Term within sixty (60) days of any such request. The Participant also agrees to perform any similar requirements or procedures for any other applicable country's taxing authority. If the

Participant is married or marries and files taxes jointly with his or her spouse, the Participant agrees to provide evidence of the Participant's individual Earned Income so that Investor can exclude the spouse's income from the Participant's Monthly Payment.

**7. Reserved.**

**8. Early Prepayment.**

(a) The Participant may make additional payments in excess of the Monthly Payments at any time without penalty. If the Participant desires to extinguish his or her obligations under this Agreement prior to the expiration of the Payment Term, the Participant may at any time pay an amount equal to the Payment Cap, less any Monthly Payments already made, plus any outstanding Fees, as satisfaction in full of the Participant's payment obligations under this Agreement. The sum of the total Monthly Payments the Participant owes under this Agreement will not exceed the Payment Cap, plus any Fees.

**9. Limit on Other Income-Based Agreements.** The Participant agrees that the Participant has not and will not enter into additional income-based agreements with Investor or another person that, in the aggregate, obligates the Participant to pay a total share of the Participant's income exceeding fifteen (15) percent of the Earned Income. Loans with income- driven repayment plans, including federal student loans, will not be considered income-based agreements under this Section.

**10. Fees.** The following fees apply to Participant, subject to applicable law (collectively the "Fees"):

Description	Amount
<b>Late Payment Fee</b>  A fee charged if the Participant does not make any Monthly Payment due under this Agreement on or before the 10th day after the due date. Any payment received after 6:00 PM Pacific time on a Business Day is deemed received on the next Business Day	5% of the Monthly Payment amount due
<b>Returned Payment Fee</b>  A fee charged if any payment is returned or fails due to insufficient funds in the Participant's account or for any other reason.	\$25

**11. Waiver of this Agreement Due to Total and Permanent Disability.** Investor will waive the remainder of what the Participant owes under this Agreement, including any past due amounts and Fees if, subject to the terms and conditions of this Section,

Participant becomes totally and permanently disabled. If the Participant would like to assert a waiver based on total and permanent disability, the Participant will need to submit a statement in writing ("**Disability Statement**") accompanied by proof of a disability determination by the Social Security Administration approving the Participant's eligibility for Supplemental Security Income based on disability, and such other information or documentation that Investor may require, showing that the Participant is unable to work in any occupation due to a condition that began or deteriorated after the date of this Agreement and that the disability is expected to be permanent. The Participant must continue to make payments until the time the Disability Statement is completed to Investor's satisfaction. If Investor approves the Participant's Disability Statement, the waiver will be effective as of the date of the completed application.

## **12. Default and Remedies.**

(a) *Default.* Without prejudice to Investor's other rights and remedies hereunder, and subject to applicable law, Investor may deem the Participant to be in default under this Agreement upon: (i) the Participant's failure to make any payment in full and on time for three (3) consecutive months; (ii) the Participant's failure to provide Formal or Informal Earned Income Documentation within one (1) year of its due date; (iii) the Participant's failure to provide Investor with a completed and signed IRS Form 4506-T or Form 4506T-EZ (or any successor form) within thirty (30) days of the annual deadline or Investor's separate request, as set forth in Sections 2(d). and 7; (iv) the Participant's violation of any other provision of this Agreement that impairs Investor's rights, including but not limited to Investor's receipt of information it deems to be materially false, misleading or deceptive; (v) the death of Participant; or (iv) the failure of any entity required pursuant to Section 4 to execute a Joinder Agreement to this Agreement.

(b) *Remedies Upon Default.* Subject to applicable law (including any notice and/or cure rights provided by applicable law), upon default, Investor may elect to (i) collect the Payment Cap, less any Monthly Payments already made and plus any outstanding Fees, (ii) enforce all legal rights and remedies in the collection of such amount and related Fees, including any rights available to it to set off any state tax refund, or (iii) utilize any combination of these remedies. The Participant agrees to pay Investor court costs, reasonable attorneys' fees, collection fees charged by states for state tax refund set-off, and other collection costs related to the default (including Investor's fees and costs due to the Participant's bankruptcy or insolvency, if applicable) to the extent permitted by applicable law.

(c) *Equitable Remedies.* If Investor concludes that money damages are not a sufficient remedy for any particular breach of this Agreement, then Investor will be entitled to seek injunctive or other equitable relief as a remedy for any such breach to the fullest extent permitted by applicable law. Such remedy shall be in addition to all other remedies available at law or in equity to Investor.

## **13. Participant Representations, Warranties, and Covenants.**



(a) The Participant represents and warrants that all information provided in connection with this Agreement is true and accurate and the Participant has not provided any false, misleading or deceptive statements or omissions of fact. Except as disclosed to Investor in the this Agreement, the Participant represents and warrants that: (i) the Participant has never been convicted of a felony or of any crime involving dishonesty or breach of trust under any federal or state statute, rule or regulation; (ii) the Participant is not contemplating bankruptcy and the Participant has not consulted with an attorney regarding bankruptcy in the past six months; (iii) the Participant is at least 18 years of age and the age of majority in the state of current residence; (iv) the Participant is a United States citizen or permanent resident; (v) the Participant has filed all federal tax returns and reports as required by law, they are true and correct in all material respects, and the Participant has paid all federal taxes and other assessments due.

#### **14. Company Representations and Warranties.**

(a) The Company is a corporation or a limited liability company duly incorporated or organized, validly existing and in good standing under the laws of the state of its incorporation or formation, and has the power and authority to own, lease and operate its properties and carry on its business as now conducted.

(b) The execution, delivery and performance by the Company of this Agreement and any applicable Ancillary Agreements is within the power of the Company and, other than with respect to the actions to be taken when equity is to be issued to Investor, has been duly authorized by all necessary actions on the part of the Company. This Agreement and all applicable Ancillary Agreements constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity. To the knowledge of the Company, it is not in violation of (i) its current certificate of incorporation or bylaws or formation documents for limited liability company agreement, (ii) any material statute, rule or regulation applicable to the Company or (iii) any material contract to which the Company is a party or by which it is bound, where, in each case, such violation or default, individually, or together with all such violations or defaults, could reasonably be expected to have a material adverse effect on the Company.

(c) The performance and consummation of the transactions contemplated by this Agreement do not and will not: (i) violate any material judgment, statute, rule or regulation applicable to the Company; (ii) result in the acceleration of any material indenture or contract to which the Company is a party or by which it is bound; or (iii) result in the creation or imposition of any lien upon any property, asset or revenue of the Company (except for any liens arising under this Agreement) or the suspension, forfeiture, or nonrenewal of any material permit, license or authorization applicable to the Company, its business or operations.

(d) No consents or approvals are required in connection with the

performance of this Agreement, other than: (i) the Company's corporate approvals; and (ii) any qualifications or filings under applicable securities laws.

(e) The Company's financial statements provided to Investor fairly present the Company's financial conditions.

(f) The Company has obtained intellectual property assignments in favor of the Company from all of its founders, independent contractors, and employees.

(g) The Company is not a party to any litigation matters, and, has not received any written demands, or otherwise threatened with any litigation or any similar action by any Person.

## **15. Investor Representations and Warranties.**

(a) Investor has full legal capacity, power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes valid and binding obligation of Investor, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity

(b) Investor represents that it is an accredited investor as such term is defined in Rule 501 of Regulation D under the Securities Act. Investor has been advised that this instrument and any underlying securities relating to the Ancillary Agreements have not been registered under the Securities Act, or any state securities laws and, therefore, cannot be resold unless they are registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available. Investor is purchasing this instrument and any underlying securities relating to be acquired by Investor hereunder for its own account for investment, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and Investor has no present intention of selling, granting any participation in, or otherwise distributing the same. Investor has such knowledge and experience in financial and business matters that Investor is capable of evaluating the merits and risks of such investment, is able to incur a complete loss of such investment without impairing Investor's financial condition and is able to bear the economic risk of such investment for an indefinite period of time.

## **16. Tax Reporting.**

(a) The Participant agrees and acknowledges that the federal, state and local tax consequences of this Agreement are not certain, and that Investor has not provided the Participant with any tax advice or assurance of specific tax outcomes.

(b) Notwithstanding Section 16(a), recognizing that all parties are best served by consistent, good faith tax reporting of the transaction in accordance with what the parties believe to be its economic substance, except as otherwise required by

law, the Participant agrees to report the transaction for federal, state and local income tax purposes as a financial contract and not as a loan or any other form of indebtedness. Whether the financial contract results in a gain or loss will be unknown until the end of the Payment Term or until this Agreement is terminated, if prior to the end of the Payment Term. Under tax law, when the parties do not know the extent of the gain or loss from a transaction when it occurs, they can treat the transaction as an "open transaction" and determine the consequences once the final terms are known. Under this tax treatment, it is expected that the Participant will not recognize the Funding Amount as income when the Participant enters into this Agreement. Upon the maturity or termination of this Agreement, if the aggregate amount of cash the Participant received from Investor is greater than the aggregate sum of the payments the Participant made to Investor during the Participant's Payment Term, then the Participant will likely recognize ordinary income equal to the difference between the amount of cash received from Investor and the sum of the payments the Participant made to Investor. The Participant agrees to file his or her federal, state and local income tax returns in accordance with this expected tax treatment unless the Participant notifies Investor in writing at least thirty (30) days before filing any such return that the Participant intends to take a contrary position

(c) The Participant acknowledges that because the appropriate tax reporting is uncertain, the IRS and/or state or local taxing authorities may challenge the method of reporting described above, and new legislation may affect the federal, state or local tax treatment of this Agreement. If such a challenge were to succeed, the Participant could have significantly greater tax liability at a significantly earlier time or times than would be the case under the method described above. While Investor is under no obligation to do so, it is also possible that Investor may seek a ruling from the IRS during the Participant's Payment Term regarding these tax consequences. *The Participant agrees and acknowledges that the Participant has had an opportunity to consult with the Participant's own trusted advisor about the tax consequences of entering into this Agreement and receiving the Funding Amount.*

**17. Electronic Delivery.** Investor may decide to deliver any documents or notices related to this Agreement by electronic means. The Participant agrees to receive such documents or notices by electronic delivery and to participate through an online or electronic system established and maintained by Investor or a third party designated by Investor.

**18. Automatic Reminders.** Investor may use automated telephone dialing, text messaging systems, electronic mail, or other services to provide messages to the Participant about payment due dates, missed payments and other important information. The telephone messages may be played by a machine automatically when the telephone is answered, whether answered by the Participant or someone else. These messages may also be recorded in the Participant's voicemail. The Participant gives Investor permission to call or send a text message to any telephone number the Participant provides now or in the future and to play prerecorded messages or send text messages with information about this Agreement over the phone. The Participant also gives Investor permission to communicate such information to the Participant via

electronic mail. The Participant agrees that Investor will not be liable to the Participant for any such calls or electronic communications, even if information is communicated to an unintended recipient.

**19. Consent to Credit and Income Verification; Credit Reporting.**

(a) The Participant authorizes Investor to obtain the Participant's credit report, verify the information that the Participant provides to Investor, and gather additional information that may help Investor assess and understand the Participant's performance under this Agreement. The Participant understands that Investor may verify the Participant's information and obtain additional information using a number of sources, including but not limited to consumer reporting agencies, other third party databases, past and present employers, other school registrars, public sources, and personal references provided by the Participant. If the Participant asks, the Participant will be informed whether or not Investor obtained a credit report and, if so, the name and address of the consumer reporting agency that furnished the report. The Participant also understands and agrees that Investor may obtain a credit report and gather additional information, including from the sources described above, in connection with the review or collection of this Agreement. The Participant consents to Investor's sharing of the Participant's information with Investor's affiliates and financing parties, which Investor will do using reasonable data security procedures.

(b) The Participant authorizes Investor to report information about this Agreement to credit bureaus. Although this Agreement is not expected to be deemed "a loan or other debt or credit instrument," Investor may inform credit bureaus about the Participant's positive payment behavior when the Participant makes payments as agreed. However, this also means that late payments, missed payments or other defaults under this Agreement may be reflected in the Participant's credit report.

**20. Amendments and Waivers.** This Agreement may only be amended upon the mutual written agreement of Investor, Participant, and each Company, provided, however, that, if an amendment is necessary to comply with changes in applicable law, Investor may amend this Agreement unilaterally to comply with applicable law, without providing the Participant advance notice. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance.

**21. Participant Identification Policy.** To help the government fight the funding of terrorism and money laundering activities, Investor will obtain, verify and record information that identifies each person who enters into this Agreement. Investor reserves the right to ask for the Participant's name, address, date of birth and other information that will allow Investor to identify the Participant. Investor may also ask to review the Participant's driver's license or other identifying documents, or for the Participant to provide true and correct copies of such identifying documents to Investor.

**22. Information Rights.** Each Company will provide Investor with the following information:

(a) As soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP).

(b) As soon as practicable, but in any event within ninety (90) days after the end of each fiscal year, the Company will deliver to Investor (i) an unaudited balance sheet as of the end of such year, (ii) unaudited statements of income and of cash flows for such year, and (iii) an unaudited statement of stockholders' equity as of the end of such year, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP. If the Company has its financial statements audited, it will provide copies of the audited statements to Investor. Company will also deliver to Investor concurrently therewith, or upon Investor's request, the most current stock and convertible securities ledgers and capitalization tables for the Company.

(c) The Company will furnish to Investor at least as much information regarding the business and operations of the Company as the Company provides to other investors. The Company additionally will provide Investor such other information relating to the financial condition, business (including vendors and customers), business prospects, corporate affairs or employee headcount, of the Company as Investor may from time to time reasonably request in connection with its legitimate interest in monitoring its investment in the Company or pursuant to reporting obligations Investor owes to its limited partners. Notwithstanding the above, the Company shall not be obligated pursuant to this Section to provide access to any information that it reasonably and in good faith considers to be highly confidential information or the disclosure of which the Company's Board of Directors or similar governing body has determined in the exercise of its reasonable discretion (with the advice of counsel) would adversely affect the attorney-client privilege between the Company and its counsel.

(d) The Company shall permit Investor, at Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by Investor; provided, however, that the Company shall not be obligated pursuant to this paragraph to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

(e) Investor agrees that it is and will be required to hold any non-public materials or information provided to it under this Section confidential; provided,

however, that such obligation of confidentiality will expire automatically if any such materials or information come into the public domain through no act or omission of Investor or if Investor is compelled to disclose any such materials or information pursuant to an applicable law or a valid court or regulatory order. Such confidentiality requirement will survive the termination or expiration of this Agreement for a period of three years or such earlier time as such materials or information come into the public domain through no act or omission of Investor or such time as Investor is compelled to disclose any such materials or information pursuant to applicable law or a valid court or regulatory order.

**23. Board Observer.** Investor will be entitled to designate one observer to attend the meeting of the board of directors or board of managers of each Company. Subject to his/her execution of a standard confidentiality agreement, the designated observer shall receive, prior to the meeting, notices and copies of the materials provided to the directors or managers in connection with such meeting. Investor shall bear all expenses incurred by the board observer in connection with attending any meeting described above.

**24. Participation Right.** Subject to the provisions set forth below, in connection with any proposed debt or equity financing of each Company, such Company will permit Investor to participate in such financing and acquire such debt or equity securities authorized by the Company to be sold in such financing in an amount up to the greater of (x) Investor's pro rata ownership of the Company prior to the closing of such proposed financing (calculated based on all of the Company's issued and outstanding securities as of the date the financing is approved by the Company), or (y) a fixed dollar amount of up to the Funding Amount (such right, subject to the other provisions hereof, the "**Participation Right**"). Investor will be given at least ten (10) Business Days' advance written notice of any proposed closing of any offering that would trigger the Participation Right, together with a reasonably detailed summary of the proposed terms thereof, and Investor will be entitled to exercise the Participation Right at any time during the continuation of the offering (or at such earlier time as Investor may elect). Investor may assign its Participation Right in whole or part to its Affiliates and any of its investors, or successor funds, provided such persons otherwise meets the criteria to invest in the Company's offering.

**25. Governing Law.** The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto and thereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law.

**26. Entire Agreement.** This Agreement and any applicable Ancillary Agreements sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between the Participant and Investor relating to the subject matter hereof.

**27. Successors and Assigns.** Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. Investor may sell, assign or otherwise transfer any of its rights, economic benefits or obligations under this Agreement. The Participant may not assign, whether voluntarily or by operation of law, any of the Participant's rights, economic benefits or obligations under this Agreement, except with the prior written consent of Investor

**28. Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and, except as otherwise provided, shall be deemed sufficient when sent by email or two (2) Business Days after being deposited in the U.S. mail as certified or registered mail with postage prepaid. Notices to Investor shall be sent by first class U.S. mail or nationally recognized overnight courier to 19 Liberty St Larkspur, CA 94939, with a copy to jon@cooperative-capital.com. Investor may modify its notice address by written notice to the Participant. Notices to Participant shall be sent to the email or physical mail addresses set forth below the Participant's signature on this Agreement, or as subsequently modified by written notice to Investor in accordance with this Section 28.

**29. Severability.** Each provision of this Agreement is severable from every other provision for the purpose of determining the legal enforceability of any specific provision. If one or more provisions of this Agreement are held to be unenforceable under applicable law, Investor may amend such provision, in good faith, to bring it into compliance with applicable law. In the event that Investor cannot make an enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded, and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

**30. Execution; Electronic Transactions.** This Agreement may be executed electronically or manually. Execution may be completed in counterparts (including both counterparts that are executed on paper and counterparts that are electronic records and executed electronically), which together constitute a single agreement. Any copy of this Agreement (including a copy printed from an image of this Agreement that has been stored electronically) shall have the same legal effect as an original.

**31. Independent Decision to Enter into this Agreement.** The Participant agrees that this Agreement is an arms-length transaction. The Participant agrees that Investor is not an agent or fiduciary or advisor in the Participant's favor in connection with the execution of this Agreement. The Participant and each Company agree that Investor has not provided any legal, accounting, investment, regulatory or tax advice with respect to this Agreement, and that Participant and each Company have had an opportunity to consult with its own advisors.

**32. Marriage.** If the Participant is married or becomes married, the Participant agrees to document his or her income separately from the Participant's spouse's and to

provide Investor with the necessary documentation to calculate the Participant's individual Earned Income.

### **33. Arbitration Agreement.**

(a) Except as expressly provided below, the Participant and Investor agree that any past, present or future claim, dispute or controversy, regardless of the legal theory on which it is based, arising out of, relating to or in connection with this Agreement, or that arises from or is related to any relationship resulting from this Agreement (a "**Claim**"), shall be submitted to and resolved on an individual basis by binding arbitration under the Federal Arbitration Act, 9 U.S.C. §§1 et seq. (the "**FAA**") before the American Arbitration Association (the "**AAA**") under its Consumer Arbitration Rules (the "**AAA Rules**"), in effect at the time the arbitration is brought, unless Investor and the Participant agree in writing to arbitrate before a different party. If a Claim is arbitrated, it will be resolved by a neutral third-party arbitrator, and not by a judge or a jury, and Participant and Investor knowingly and voluntarily waive the right to a jury trial on such Claim. "Claim" has the broadest possible meaning, and includes initial claims, counterclaims, cross-claims and third-party claims. It includes disputes based upon contract, tort, consumer rights, fraud and other intentional torts, constitution, statute, regulation, ordinance, common law and equity (including any claim for injunctive or declaratory relief). If the AAA is unable to serve as administrator and Investor and the Participant cannot agree on a replacement, a court with jurisdiction will select the administrator or arbitrator. The AAA Rules are available online at [www.adr.org](http://www.adr.org).

(b) Any arbitration hearing that the Participant attends will take place in a venue selected by the Investor. Each party will bear the expense of its own attorneys, experts and witnesses, regardless of which party prevails, unless applicable law or this Agreement gives a right to recover any of those fees from the other party. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA, applicable statutes of limitation and privilege rules that would apply in a court proceeding, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. Upon the timely request of either party, the arbitrator shall write a brief explanation of the basis of his or her award. The arbitrator's award will be final and binding, except for any appeal right under the FAA. Any court with jurisdiction may enter judgment upon the arbitrator's award.

(c) This Arbitration Agreement shall survive the termination of this Agreement, the Participant's fulfillment or default of the Participant's obligations under this Agreement and/or the Participant's or Investor's bankruptcy or insolvency (to the extent permitted by applicable law). In the event of any conflict or inconsistency between this Arbitration Agreement and the administrator's rules or other provisions of this Agreement, this Arbitration Agreement will govern.

(d) **Waiver of Jury Trial.** The participant acknowledges and agrees



that, inasmuch as the purpose of the arbitration agreement in Section 33 is to require that all claims be resolved by binding arbitration, no party to this Agreement shall be entitled to a trial by jury if such arbitration agreement is in effect, and Investor, each Company, and the Participant knowingly and voluntarily waive, to the fullest extent permitted by law, any right to a trial by jury with respect to any claim.

**34. Attorney's Fees.** The prevailing party in any action to enforce this Agreement shall be entitled to an award of its attorneys' fees and/or costs incurred in enforcing its rights hereunder.

**35. Publicity.** Participant and each Company agree that Investor may disclose the Company's name and logo, a brief description of the Participant, and Participant and Company's status as clients of Investor on Investor' website and social media pages.

*[Signature Page Follows.]*

EXHIBIT A  
JOINDER AGREEMENT

By execution and delivery of this Joinder Agreement, the undersigned hereby (i) agrees and acknowledges that the undersigned is a “Company” as defined in that certain Income Sharing Agreement, dated as of [\_\_\_\_\_] (the “**ISA**”), by and among David Vargas and {investor\_company}, a {investor\_company\_type} (the “**Investor**”) and each of the Companies (as defined in the ISA), as applicable; and (ii) agrees to be bound by the terms, conditions, and obligations subject to the obligations of the ISA.

This joinder (a) shall be governed by and construed in accordance with the substantive laws of the State of Delaware, excluding the conflict of law rules or principles that could cause the application of the laws of any jurisdiction other than the State of Delaware and (b) may be executed in separate counterparts, including by facsimile, each of which shall be an original and all of which taken together shall constitute one and the same agreement.

Effective as of the 28th day of January, 2022.

\_\_\_\_\_  
(Company)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

Address:

\_\_\_\_\_  
\_\_\_\_\_

ACCEPTED & ACKNOWLEDGED:

\_\_\_\_\_  
(Company)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

Schedule A  
Payment Schedule

February 28, 2022	February 28, 2023	February 28, 2024	February 28, 2025	February 28, 2026	February 28, 2027
March 28, 2022	March 28, 2023	March 28, 2024	March 28, 2025	March 28, 2026	March 28, 2027
April 28, 2022	April 28, 2023	April 28, 2024	April 28, 2025	April 28, 2026	April 28, 2027
May 28, 2022	May 28, 2023	May 28, 2024	May 28, 2025	May 28, 2026	May 28, 2027
June 28, 2022	June 28, 2023	June 28, 2024	June 28, 2025	June 28, 2026	June 28, 2027
July 28, 2022	July 28, 2023	July 28, 2024	July 28, 2025	July 28, 2026	July 28, 2027
August 28, 2022	August 28, 2023	August 28, 2024	August 28, 2025	August 28, 2026	August 28, 2027
September 28, 2022	September 28, 2023	September 28, 2024	September 28, 2025	September 28, 2026	September 28, 2027
October 28, 2022	October 28, 2023	October 28, 2024	October 28, 2025	October 28, 2026	October 28, 2027
November 28, 2022	November 28, 2023	November 28, 2024	November 28, 2025	November 28, 2026	November 28, 2027
December 28, 2022	December 28, 2023	December 28, 2024	December 28, 2025	December 28, 2026	December 28, 2027
January 28, 2023	January 28, 2024	January 28, 2025	January 28, 2026	January 28, 2027	January 28, 2028