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[COMPANY NAME]

SAFE
(Simple Agreement for Future Equity)

THIS CERTIFIES THAT in exchange for the payment by **CORNELL UNIVERSITY** (the “Investor”) of \$[] (the “Purchase Amount”) on or about [Date of Safe] in connection with the participation by [Company Name], a [State of Formation] [form of entity] (the “Company”), in the New York Food & Agriculture Challenge (Grow-NY), the Company issues to the Investor the right to certain shares of the Company’s Equity Securities, subject to the terms described below.

1. Events

(a) **Qualified Equity Financing.** This SAFE will automatically convert into Equity Securities upon the closing of the Qualified Equity Financing. The number of Equity Securities the Company issues upon such conversion will equal the quotient (rounded down to the nearest whole share) obtained by dividing (x) the Purchase Amount by (y) the applicable Discount Price. At least five (5) days prior to the closing of the Qualified Equity Financing, the Company will notify the Investor in writing of the terms of the Equity Securities that are expected to be issued in such financing. The issuance of Equity Securities pursuant to the conversion of this Safe will be on, and subject to, the same terms and conditions applicable to the Equity Securities issued in the Qualified Equity Financing (except that, in the event the Equity Securities to be issued in the Qualified Equity Financing are Preferred Equity Interests with a liquidation preference, the Company may, at its election, issue shares of Shadow Preferred to the Investor in lieu of such Preferred Equity Interests).

(b) **Liquidity Event.** If there is a Liquidity Event before the termination of this Safe, the Investor will automatically be entitled to receive a portion of proceeds, due and payable to the Investor immediately prior to, or concurrent with, the consummation of such Liquidity Event, equal to the greater of (i) one times the Purchase Amount (the “Cash-Out Amount”) or (ii) the amount payable on the number of shares of Common Equity Interests equal to the Purchase Amount divided by the Liquidity Price (the “Conversion Amount”). If any of the Company’s investors are given a choice as to the form and amount of proceeds to be received in a Liquidity Event, the Investor will be given the same choice, *provided* that the Investor may not choose to receive a form of consideration that the Investor would be ineligible to receive as a result of the Investor’s failure to satisfy any requirement or limitation generally applicable to the Company’s security investors, or under any applicable laws.

Notwithstanding the foregoing, in connection with a Fundamental Transaction intended to qualify as a tax-free reorganization, the Company may reduce the cash portion of proceeds payable to the Investor by the amount determined by its board of directors in good faith for such Fundamental Transaction to qualify as a tax-free reorganization for U.S. federal income tax purposes, provided that such reduction (A) does not reduce the total proceeds payable to such Investor and (B) is applied in the same manner and on a pro rata basis to all security investors who have equal priority to the Investor under Section 1(d).

(c) **Dissolution Event.** If there is a Dissolution Event before the termination of this Safe, the Investor will automatically be entitled to receive a portion of proceeds equal to the Purchase

Amount, due and payable to the Investor immediately prior to the consummation of the Dissolution Event.

(d) **Liquidation Priority.** In a Liquidity Event or Dissolution Event, this Safe is intended to operate like standard non-participating Preferred Equity Interests. The Investor's right to receive its Purchase Amount or Cash-Out Amount is:

(i) Junior to payment of outstanding indebtedness and creditor claims, including contractual claims for payment and convertible promissory notes (to the extent such convertible promissory notes are not actually or notionally converted into Equity Securities);

(ii) On par with payments for other Safes and/or Preferred Equity Interests, and if the applicable proceeds are insufficient to permit full payments to the Investor and such other Safes and/or Preferred Equity Interests, the applicable proceeds will be distributed pro rata to the Investor and such other Safes and/or Preferred Equity Interests in proportion to the full payments that would otherwise be due; and

(iii) Senior to payments for Common Equity Interests.

The Investor's right to receive its Conversion Amount is (A) on par with payments for Common Equity Interests and other Safes and/or Preferred Equity Interests who are also receiving Conversion Amounts, proceeds or similar payments on a similar as-converted to Common Equity Interests basis, and (B) junior to payments described in clauses (i) and (ii) above (in the latter case, to the extent such payments are Cash-Out Amounts or similar liquidation preferences).

(e) **Termination.** This Safe will automatically terminate (without relieving the Company of any obligations arising from a prior breach of or non-compliance with this Safe) immediately following the earliest to occur of: (i) the issuance of Equity Securities to the Investor pursuant to the automatic conversion of this Safe under Section 1(a); or (ii) the payment, or setting aside for payment, of amounts due the Investor pursuant to Section 1(b) or Section 1(c).

2. **Definitions**

"Cash-Out Amount" has the meaning ascribed to such term in Section 1(b) of this Safe.

"Common Equity Interests" means the Company's common stock, if the Company is a corporation, or the equivalent form of common equity security such as of a membership interest or membership unit if the Company is a limited liability company.

"Company" has the meaning ascribed to such term in the preamble of this Safe.

"Conversion Amount" has the meaning ascribed to such term in Section 1(b) of this Safe.

"Discount Price" means the lowest price per share of the Equity Securities sold in the Qualified Equity Financing multiplied by the Discount Rate.

"Discount Rate" means 80%.

"Dissolution Event" means (i) a voluntary termination of operations, (ii) a general assignment for the benefit of the Company's creditors or (iii) any other liquidation, dissolution or winding up of the Company (**excluding** a Liquidity Event), whether voluntary or involuntary.

“Distribution Amount” means, with respect to any date on which the Company pays a distribution on its outstanding Common Equity Interests, the amount of such distribution that is paid per share of Common Equity Interests multiplied by (x) the Purchase Amount divided by (y) the Liquidity Price (treating the distribution date as a Liquidity Event solely for purposes of calculating such Liquidity Price).

“Equity Securities” means (a) Common Equity Interests; (b) Preferred Equity Interest; (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 (iii) any SAFEs (including this SAFE) issued by the Company.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“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).

“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.

“Investor” has the meaning ascribed to such term in the preamble of this Safe.

“Liquidity Event” means a Fundamental Transaction or an Initial Public Offering.

“Liquidity Price” means the price per share equal to the fair market value of the Common Equity Interests at the time of the Liquidity Event, as determined by reference to the purchase price payable in connection with such Liquidity Event, multiplied by the Discount Rate.

“Majority-in-Interest” means investors of the applicable group of Safes whose Safes have a total Purchase Amount greater than 50% of the total Purchase Amount of all of such applicable group of Safes.

“Preferred Equity Interest” 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.

“Purchase Amount” has the meaning ascribed to such term in the preamble of this Safe.

“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.

“**Safe**” means an instrument containing a future right to shares of Equity Securities, similar in form and content to this instrument, purchased by investors for the purpose of funding the Company’s business operations. References to “this Safe” mean this specific instrument.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Shadow Preferred**” means a series of Preferred Equity Interests with substantially the same rights, preferences and privileges as the series of Preferred Equity Interests issued in the Qualified Equity Financing, except that the per share liquidation preference of the Shadow Preferred will equal the Purchase Amount divided by the number of shares of Shadow Preferred Equity Interests, with corresponding adjustments to any price-based anti-dilution and/or distribution rights provisions.

3. *Company Representations*

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, 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 Safe is within the power of the Company and has been duly authorized by all necessary actions on the part of the Company (subject to section 3(d)). This Safe 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 its knowledge, the Company is not in violation of (i) its current certificate of incorporation or bylaws, (ii) any material statute, rule or regulation applicable to the Company or (iii) any material debt or 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 Safe 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 debt 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 on any property, asset or revenue of the Company 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 Safe, other than: (i) the Company’s corporate approvals; (ii) any qualifications or filings under applicable securities laws; and (iii) necessary corporate approvals for the authorization of Equity Securities issuable pursuant to Section 1.

(e) To its knowledge, the Company owns or possesses sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, processes and other intellectual property rights necessary for its business as now conducted and as currently proposed to be conducted, without any conflict with, or infringement of the rights of, others.

4. *Investor Representations*

(a) The Investor has full legal capacity, power and authority to execute and deliver this Safe and to perform its obligations hereunder. This Safe constitutes valid and binding obligation of the 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) The Investor is an accredited investor as such term is defined in Rule 501 of Regulation D under the Securities Act, and acknowledges and agrees that if not an accredited investor at the time of a Qualified Equity Financing, the Company may void this Safe and return the Purchase Amount. The Investor has been advised that this Safe and the underlying Equity Securities 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. The Investor is purchasing this Safe and the Equity Securities to be acquired by the 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 the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same. The Investor understands that the Equity Securities have not been, and will not be, registered under the Securities Act or state securities laws, by reason of specific exemptions from the registration provisions thereof which depend upon, among other things, the bona fide nature of the investment intent and the accuracy of the Investor's representations as expressed herein. The Investor understands that the Equity Securities are "restricted securities" under the Securities Act and that, pursuant to these laws, the Investor must hold the Equity Securities indefinitely unless they are registered with the Securities and Exchange Commission and registered or qualified by state authorities or an exemption for such registration and qualification requirements is available. The Investor acknowledges that the Company has no obligation to register or qualify the Equity Securities for resale and further acknowledges that, if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Equity Securities, and on requirements relating to the Company which are outside of the Investor's control, and which the Company is under no obligation, and may not be able to satisfy.

5. *Miscellaneous*

(a) Any provision of this Safe may be amended, waived or modified by written consent of the Company and either (i) the Investor or (ii) the Majority-in-Interest of all then-outstanding Safes with the same Discount Rate as this Safe (and Safes lacking one or both of such terms will be considered to be the same with respect to such term(s)), *provided that* with respect to clause (ii): (A) the Purchase Amount may not be amended, waived or modified in this manner, (B) the consent of the Investor and each investor of such Safes must be solicited (even if not obtained), and (C) such amendment, waiver or modification treats all such Investors in the same manner.

(b) Any notice required or permitted by this Safe will be deemed sufficient when delivered personally or by overnight courier or sent by email to the relevant address listed on the signature page, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address listed on the signature page, as subsequently modified by written notice.

(c) The Investor is not entitled, as an investor of this Safe, to vote or be deemed an investor of Equity Securities for any purpose other than tax purposes, nor will anything in this Safe be construed to confer on the Investor, as such, any rights of a Company equity investor or rights to vote for the election of directors or managers or on any matter submitted to Company equity investors, or to give or withhold consent to any action or to receive notice of meetings, until Equity Securities have been issued on the terms described in Section 1. However, if the Company pays a distribution on outstanding Equity Securities (that is not payable in shares of Equity Securities) while this Safe is outstanding, the Company will pay the Distribution Amount to the Investor at the same time.

(d) Neither this Safe nor the rights in this Safe are transferable or assignable, by operation of law or otherwise, by either party without the prior written consent of the other; *provided, however*, that this Safe and/or its rights may be assigned without the Company's consent by the Investor to any other entity who directly or indirectly, controls, is controlled by or is under common control with the Investor, including, without limitation, any general partner, managing member, officer or director of

the Investor, or any venture capital fund now or hereafter existing which is controlled by one or more general partners or managing members of, or shares the same management company with, the Investor; and *provided, further*, that the Company may assign this Safe in whole, without the consent of the Investor, in connection with a reincorporation to change the Company's domicile.

(e) In the event any one or more of the provisions of this Safe is for any reason held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Safe operate or would prospectively operate to invalidate this Safe, then and in any such event, such provision(s) only will be deemed null and void and will not affect any other provision of this Safe and the remaining provisions of this Safe will remain operative and in full force and effect and will not be affected, prejudiced, or disturbed thereby.

(f) All rights and obligations hereunder will be governed by the laws of the State of [Governing Law Jurisdiction], without regard to the conflicts of law provisions of such jurisdiction.

(h) This Safe may be executed in counterparts, each of which will be deemed an original, but all of which together will be deemed to be one and the same agreement. Counterparts may be delivered via facsimile, electronic mail (including PDF or any electronic signature copying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method, and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

(i) In the event that the Company is a corporation or has elected to be taxed as a corporation for federal income tax purposes, the parties acknowledge and agree that for United States federal and state income tax purposes this Safe is, and at all times has been, intended to be characterized as stock, and more particularly as common stock for purposes of Sections 304, 305, 306, 354, 368, 1036 and 1202 of the Internal Revenue Code of 1986, as amended. Accordingly, the parties agree to treat this Safe consistent with the foregoing intent for all United States federal and state income tax purposes (including, without limitation, on their respective tax returns or other informational statements).

(Signature page follows)

IN WITNESS WHEREOF, the undersigned have caused this Safe to be duly executed and delivered
as of _____, 20__.

[COMPANY]

By: _____
 [*name*]
 [*title*]

Address: _____

Email: _____

INVESTOR:

By: _____

Name: _____

Title: _____

Address: _____

Email: _____