

VT KnowledgeWorks Equity Participation Policy

In order to be received into Membership in VT KnowledgeWorks a candidate organization must execute an Agreement to Grant Warrants which will provide to the Virginia Tech Foundation, Inc. (VTF) a long-term Warrant to purchase up to 5% of the first equity or equity-equivalent offering following the date of this Application. This Agreement is in consideration of the considerable investment, both financial and otherwise, made by VTF and its subsidiary, the VT KnowledgeWorks LLC and, in the VT KnowledgeWorks facilities and operations.

In some cases, VTF may elect to assign a portion of the Warrant rights to other program participants in consideration of personal or corporate services rendered to the specific company over an extended period. For example, special personal advisers, called "Shadow CEOs", may be awarded a portion of the warranted participation in the company they serve upon reaching a particular tenure milestone.

WARRANT AGREEMENT

This Warrant Agreement, dated as of XXX YY, ZZZZ, (this "AGREEMENT") is entered into by and among XXX, a XXX corporation, (the "COMPANY") and The Virginia Tech Foundation (the "VTF"). The parties, intending to be legally bound, hereby agree as follows:

1. **WARRANT.** In consideration of VTF's commitment to provide services under the auspices of VT KnowledgeWorks, Company shall issue a warrant to VTF in the form attached hereto as EXHIBIT B (the "Warrant").

2. **REPRESENTATIONS AND WARRANTIES OF COMPANY.** Company hereby represents and warrants to VTF that, the statements contained in the following paragraphs of this Section 3 are all true and correct as of the Closing Date:

(a) **ORGANIZATION AND STANDING: ARTICLES AND BYLAWS.** Company is a XXX duly organized, validly existing and in good standing under the laws of the State of XXX and has all requisite corporate power and authority to carry on its business as now conducted.

(b) **CORPORATE POWER.** Company has all requisite legal and corporate power to enter into, execute and deliver this Agreement and the Warrant. This Agreement, and upon issuance, the Warrant will be valid and binding obligations of Company, enforceable in accordance with their terms, except as the same may be limited by bankruptcy, insolvency, moratorium, and other laws of general application affecting the enforcement of creditors' rights.

(c) **AUTHORIZATION.**

(1) **CORPORATE ACTION.** All corporate and legal action on the part of Company, its officers, directors and shareholders necessary for the execution and delivery of this Agreement, the Warrant, issuance of the Warrant and exercise of the Warrant and the performance of company's obligations hereunder and under the Warrant have been taken.

(2) **VALID ISSUANCE.** The Warrant, and shares of Common Stock issued upon exercise of the Warrant (the "SECURITIES"), when issued in compliance with the provisions of this Agreement and the Warrant will be validly issued and will be free of any liens or encumbrances, provided, however, that the Securities may be subject to restrictions on transfer under state and/or federal securities laws as set forth herein, and as may be required by future changes in such laws.

(d) **GOVERNMENT CONSENT, ETC.** No consent, approval, order or authorization of, or designation, registration, declaration or filing with, any federal, state, local or other governmental authority on the part of Company is required in connection with the valid execution and delivery of this Agreement, the Warrant or the offer, sale or issuance of the Securities, other than, (i) if required, filings or qualifications under the XXX Corporate Securities Laws or other applicable blue sky laws, which filings or qualifications, if required, will be timely filed or obtained by Company.

3. **REPRESENTATIONS AND WARRANTIES BY VTF.** VTF represents and warrants to Company as of the Closing Date as follows:

(a) **INVESTMENT INTENT: AUTHORITY.** This Agreement is made with VTF in reliance upon VTF's representation to Company, evidenced by VTF's execution of this Agreement, that VTF is acquiring the Warrant for investment for VTF's own account, not as nominee or agent, for investment and not with a view to, or for resale in connection with, any distribution or public

offering thereof within the meaning of the Securities Act of 1933, as amended, (the "SECURITIES ACT") or the XXX Law. VTF has the full right, power, authority and capacity to enter into and perform this Agreement and the Agreement will constitute a valid and binding obligation upon VTF, except as the same may be limited by bankruptcy, insolvency, moratorium, and other laws of general application affecting the enforcement of creditors' rights.

(b) SECURITIES NOT REGISTERED. VTF understands and acknowledges that the offering of the Securities pursuant to this Agreement will not be registered under the Securities Act or qualified under the XXX Law on the grounds that the offering and sale of securities contemplated by this Agreement are exempt from registration under the Securities Act and exempt from qualification pursuant to XXX Law, and that Company's reliance upon such exemptions is predicated upon VTF's representations set forth in this Agreement. VTF acknowledges and understands that resale of the Securities may be restricted indefinitely unless the Securities are subsequently registered under the Securities Act and qualified under the XXX Law or an exemption from such registration and such qualification is available. VTF acknowledges that Company is under no obligation to effect any registration with respect to the Securities or to file for or comply with any exemption from registration.

(c) KNOWLEDGE AND EXPERIENCE. VTF (i) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of VTF's prospective investment in the Securities; (ii) has the ability to bear the economic risks of VTF's prospective investment; (iii) has had all questions which have been asked by VTF satisfactorily answered by Company; and (iv) has not been offered the Securities by any form of advertisement, article, notice or other communication published in any newspaper, magazine, or similar media or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any such media. VTF represents and warrants that it is an "accredited VTF" within the meaning of Rule 501 of Regulation D of the Securities Act.

4. MISCELLANEOUS.

(a) WAIVERS AND AMENDMENTS. Any provision of this Agreement may be amended, waived or modified upon the written consent of Company and VTF.

(b) GOVERNING LAW. This Agreement and the Warrant and all actions arising out of or in connection with this Agreement and the Warrant shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law provisions of the Commonwealth of Virginia or of any other state. The parties acknowledge and agree that the exclusive venue and jurisdiction of any dispute arising out of this Agreement shall be a federal or state court located in the XXX.

(c) ENTIRE AGREEMENT. This Agreement together with the exhibits attached hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof.

(d) SURVIVAL. The representations, warranties, covenants and agreements made herein shall survive the execution and delivery of this Agreement.

(e) NOTICES, ETC. Any notice, request or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given (i) upon receipt if personally delivered, (ii) three (3) days after being mailed by registered or certified mail, postage prepaid, or (iii) one day after being sent by recognized overnight courier or by facsimile, if to VTF, at XXXXX, or at such other address or number as VTF shall have furnished to Company in writing, or if to Company, atXXXXXX or at such other address or number as Company shall have furnished to VTF in writing.

(f) VALIDITY. If any provision of this Agreement or the Warrant shall be judicially determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(g) COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall be deemed to constitute one instrument.

(h) ASSIGNMENT. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date and year first written above.

COMPANY:

XXXXX
a XXX corporation

By: _____

Its: _____

The Virginia Tech Foundation

By: _____

Name: _____

Title: _____