

WARRANT

Warrant Certificate No.:

Original Issue Date:

FOR VALUE RECEIVED, _____, a _____ corporation (the "Company"), hereby certifies that **CENTERSTATE CEO HOLDINGS, LLC**, a New York limited liability company, with its principal address located at 115 West Fayette Street, Syracuse, New York 13202, or its registered assigns (the "Holder") is entitled to purchase from the Company duly authorized, validly issued fully paid and non-assessable shares of common stock equal to _____ percent (___%)¹ of the common stock of the Company outstanding on the date of exercise of this Warrant at a purchase price of \$1.00 (the "Exercise Price"), all subject to the terms, conditions and adjustments set forth below in this Warrant.

This Warrant has been issued pursuant to the terms of that certain Letter Agreement, dated the ____ day of _____, 20__ (the "Letter Agreement").

1. Definitions. Capitalized terms not defined herein shall have the meaning set forth in the Terms and Conditions, attached to the Letter Agreement. As used in this Warrant, the following terms have the respective meanings set forth below:

"Exercise Price" has the meaning set forth in the preamble hereof.

"Holder" has the meaning set forth in the preamble hereof.

"Warrant" means this Warrant and all warrants issued upon division or combination of, or in substitution for, this Warrant.

"Warrant Shares" means _____ percent (___%) of the common stock of the Company outstanding on the date of exercise of this Warrant, purchasable upon exercise of this Warrant in accordance with the terms of this Warrant.

2. Term of Warrant; Financials.

(a) Subject to the terms and conditions hereof, the Holder of this Warrant may exercise this Warrant at any time between the date of the Letter Agreement and a date being the ten-year anniversary therefrom for all or any part of the Warrant Shares purchasable hereunder (the "Exercise Period").

(b) From the date hereof through the date the Warrant is exercised pursuant to the terms hereof, the Company shall provide the Holder quarterly financial statements, including statements of income and cash flow and the financial position and balance sheet of the Company.

¹ This will be 8% in the case of the team ranked 1st and 5% in the case of teams ranked 2nd through 5th
{H3406728.4}

3. Exercise of Warrant.

(a) **Exercise Procedure.** This Warrant may be exercised from time to time on any day during the Exercise Period, for all or any part of the unexercised Warrant Shares, upon: (i) surrender of this Warrant to the Company at its then principal executive offices and the duly completed and executed Notice of Exercise (attached as Exhibit "1"); (ii) payment to the Company of the Exercise Price; and (iii) such other agreements, document, instruments or certificates required to be delivered by the Holder to effectuate the Warrant.

(b) **Delivery of Stock Certificates.** Upon surrender of this Warrant and payment of the Exercise Price, the Company shall, as promptly as practicable, execute and deliver to the Holder a certificate representing the Warrant Shares issuable upon such exercise. This Warrant shall be deemed to have been exercised and such certificate or certificates of Warrant Shares shall be deemed to have been issued, and the Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares for all purposes, as of the Exercise Date. The Company shall deliver to Holder such other agreements, document, instruments or certificates required to be delivered by the Holder to effectuate the Warrant.

(c) **Valid Issuance of Warrant and Warrant Shares; Payment of Taxes.** With respect to the exercise of this Warrant, the Company hereby represents, covenants and agrees:

(i) This Warrant is, and shall be, upon issuance, duly authorized and validly issued.

(ii) All Warrant Shares issuable upon the exercise of this Warrant pursuant to the terms hereof shall be, upon issuance, and the Company shall take all such actions as may be necessary or appropriate in order that such Warrant Shares are, validly issued, issued fully paid and non-assessable without violation of any preemptive or similar rights of any stockholder of the Company and free and clear of all taxes, liens and charges.

(iii) The Company shall take all such actions as may be necessary to ensure that all such Warrant Shares are issued without violation by the Company of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which shares of common stock or other securities constituting Warrant Shares may be listed at the time of such exercise.

(iv) The Company shall use its best efforts to cause the Warrant Shares, immediately upon such exercise, to be listed on any domestic securities exchange upon which shares of common stock or other securities constituting Warrant Shares are listed at the time of such exercise.

(v) The Company shall pay all expenses in connection with, and all taxes and other governmental charges that may be imposed with respect to, the issuance or delivery of Warrant Shares upon exercise of this Warrant.

(d) **Exercise; Conditional Exercise.** In the event that the Holder exercises the Warrant, the Holder covenants that it will not transfer, sell or otherwise convey its ownership rights in the Company to any entity that competes or has an affiliate or corporate parent that competes directly with the business of the Company or which is or is owned directly or indirectly by a non-U.S. entity where such ownership would be contrary to the law or materially impair the ability of the Company to operate or sell its products and services (including to the U.S. government), unless otherwise agreed to in writing by the Company. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is to be made in connection with a public offering or a sale of the Company (pursuant to a merger, sale of stock, or otherwise), such exercise may at the election of the Holder be conditioned upon the consummation of such transaction, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such transaction.

(e) **Reservation of Shares.** During the Exercise Period, the Company shall at all times reserve and keep available out of its authorized but unissued common stock or other securities constituting Warrant Shares, solely for the purpose of issuance upon the exercise of this Warrant, the maximum percentage of Warrant Shares issuable upon the exercise of this Warrant.

4. No Liabilities. Prior to the exercise of the Warrant, nothing contained herein shall impose any liabilities on the Holder, whether such liabilities are asserted by the Company or any creditors of the Company.

5. Tag-Along.

(a) Notwithstanding any other provision of this Warrant, in the event the other owners of the Company (the "Owners") receive an offer from a third party to acquire, or the other Owners seek to sell to a third party, all or a portion of the common stock held by them, the other Owners may sell such common stock so long as they notify the Holder of the same (the "Tag Along Offer Notice"). In such event, the Holder shall have the right (the "Tag Along Right") to require that all (or the same proportion) of the shares held by it (or to which it would be entitled upon exercise of the Warrant) be sold to such third party (the "Third Party Acquiror") at the same time and consideration and under the same payment conditions as those applicable to the other Owner's sale of their common stock to such third party (the "Specified Terms"). The Tag Along Offer Notice shall include a description of Specified Terms.

(b) The Holder shall exercise the Tag Along Right (if at all) by delivering to the other Owners a written notice indicating its desire to exercise such right (the "Tag Along Acceptance Notice") during the fifteen (15) day period following their receipt of the Tag Along Offer Notice, following which the other Owners shall not sell their shares to the Third Party Acquiror unless the Holder's shares are included in such sale on the Specified Terms.

(c) Notwithstanding the foregoing, in the event of the sale of the Company, whereby an agreement has been reached to sell all ownership rights in the Company to a Third Party Acquiror, and the Holder has not exercised its Tag Along Rights within the period specified in Subsection (b) above, the Company shall have the right to declare the Warrant exercised as of a time one day before the consummation of such transaction and the Holder agrees to sell all of its common stock in the Company (including without limitation shares received through the exercise of the Warrant) at the

Specified Terms to the Third Party Acquiror as of the date that the Owners' common stock are conveyed to the Third Party Acquiror.

6. Anti Dilution.

(a) **Adjustment to Warrant Shares Upon Reorganization, Reclassification, Consolidation or Merger.** In the event of any (i) capital reorganization of the Company, (ii) reclassification of the stock of the Company (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend, or subdivision, split up or combination of shares), (iii) consolidation or merger of the Company with or into another person, (iv) sale of all or substantially all of the Company's assets to another person or (v) other similar transaction, in each case which entitles the holders of common stock to receive (either directly or upon subsequent liquidation) stock, membership interest, securities or assets with respect to or in exchange for common stock, the Warrant shall, immediately after such reorganization, reclassification, consolidation, merger, sale or similar transaction, remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) convert into the number of Warrant Shares then exercisable under this Warrant, be exercisable for the kind and number of shares of stock, common stock or other securities or assets of the Company or of the successor person resulting from such transaction to which the Holder would have been entitled upon such reorganization, reclassification, consolidation, merger, sale or similar transaction if the Holder had exercised this Warrant in full immediately prior to the time of such reorganization, reclassification, consolidation, merger, sale or similar transaction and acquired the applicable number of Warrant Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and, in such case, appropriate adjustment (in form and substance satisfactory to the Holder) shall be made with respect to the Holder's rights under this Warrant to insure that the provisions of this Warrant shall thereafter be applicable, as nearly as possible, to any shares of stock, common stock, securities or assets thereafter acquirable upon exercise of this Warrant. The provisions of this Section 6(a) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or similar transaction. The Company shall not effect any such reorganization, reclassification, consolidation, merger, sale or similar transaction unless, prior to the consummation thereof, the successor person (if other than the Company) resulting from such reorganization, reclassification, consolidation, merger, sale or similar transaction, shall assume, by written instrument substantially similar in form and substance to this Warrant and satisfactory to the Holder, the obligation to deliver to the Holder such shares of stock, common stock, securities or assets which, in accordance with the foregoing provisions, such Holder shall be entitled to receive upon exercise of this Warrant. Notwithstanding anything to the contrary contained herein, with respect to any corporate event or other transaction contemplated by the provisions of this Section 6(a), the Holder shall have the right to elect prior to the consummation of such event or transaction, to give effect to the exercise rights contained in Section 3 instead of giving effect to the provisions contained in this Section 6(a) with respect to this Warrant.

(b) **Certificate as to Adjustment.**

(i) As promptly as reasonably practicable following any adjustment of the kind of Warrant Shares pursuant to the provisions of Section 6(a), the Company shall furnish to the

Holder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

(ii) As promptly as reasonably practicable following the receipt by the Company of a written request by the Holder, the Company shall furnish to the Holder a certificate of an executive officer certifying the amount of other shares of stock, common stock, securities or assets then issuable upon exercise of the Warrant.

(c) **No Impairment.** The Company shall not, by amendment of its Certificate of Incorporation or By-laws, or through any reorganization, 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 by it hereunder, but shall at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may reasonably be requested by the Holder in order to protect the exercise rights of the Holder against dilution or other impairment, consistent with the tenor and purpose of this Warrant.

(d) **Financing.** Notwithstanding anything in this Section 6, in the event the Company receives Equity Financing with a post-money valuation equal to or greater than _____ Million Dollars (\$_____),² the Company may dilute the Holder of its Warrant at the same rate as the percentage dilution accepted by the most senior class of shareholders of the Company immediately prior to the closing of the Equity Financing. For purposes hereof, "Equity Financing" means any investor, venture capital or institutional equity financing or such other equity financing of any kind or nature to acquire common stock, preferred stock, convertible stock or any other equity of the Company (including but not limited to quasi-equity instruments such as warrants or options).

7. Compliance with the Securities Act. This Warrant and all Warrant Shares issued upon exercise of this Warrant (unless registered under the Securities Act) shall be stamped or imprinted with a legend in substantially the following form:

"THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ASSIGNED UNLESS (I) A REGISTRATION STATEMENT COVERING SUCH SHARES IS EFFECTIVE UNDER THE ACT AND IS QUALIFIED UNDER APPLICABLE STATE AND FOREIGN LAW OR (II) THE TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS UNDER THE ACT AND THE QUALIFICATION REQUIREMENTS UNDER

² This shall be \$20,000,000 in the case of the team ranked 1st and \$12,000,000 in the case of the teams ranked 2nd through 5th.

APPLICABLE STATE AND FOREIGN LAW AND, IF THE COMPANY REQUESTS, AN OPINION SATISFACTORY TO THE COMPANY TO SUCH EFFECT HAS BEEN RENDERED BY COUNSEL."

8. Warrant Register. The Company shall keep and properly maintain at its principal executive offices books for the registration of the Warrant and any transfers thereof. The Company may deem and treat the person in whose name the Warrant is registered on such register as the Holder thereof for all purposes, and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of the Warrant effected in accordance with the provisions of this Warrant.
9. Entire Agreement. This Warrant, together with the Letter Agreement, constitutes the sole and entire agreement of the parties to this Warrant with respect to the subject matter contained herein and therein (together with all exhibits), and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Warrant, the Letter Agreement, the statements in the body of this Warrant shall control.
10. Successor and Assigns. This Warrant and the rights evidenced hereby shall be binding upon and shall inure to the benefit of the parties hereto and the successors of the Company and the successors and permitted assigns of the Holder. Such successors and/or permitted assigns of the Holder shall be deemed to be a Holder for all purposes hereunder.
11. Amendment and Modification. Except as otherwise provided herein, this Warrant may only be amended, modified or supplemented by an agreement in writing signed by each party hereto.
12. Governing Law. This Warrant shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of New York.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has duly executed this Warrant on the Original Issue Date.

CenterState CEO Holdings, LLC

By: _____
Robert Simpson, President & CEO

Accepted and agreed,

[_____]

By: _____

Name:

Title:

Exhibit 1

NOTICE OF EXERCISE

The undersigned hereby elects to purchase _____ percent (%) of the Company pursuant to the terms of the Warrant by means of a cash payment, and tenders herewith payment in full for the purchase price of the equity being purchased.

An assignment representing said common stock may be issued in the name as specified below:

CENTERSTATE CEO HOLDINGS, LLC
115 West Fayette Street
Syracuse, New York 13202

CENTERSTATE CEO HOLDINGS, LLC

By: _____
Robert Simpson, President & CEO

Accepted and agreed,

By: _____
Name:
Title: