

STARTENGINE SCOUT AGREEMENT

This Scout Agreement (“Agreement”) is entered into as of _____ (“Effective Date”), by and between StartEngine Capital LLC. and StartEngine Crowdfunding, Inc. (“StartEngine”), a Delaware corporation, with its principal place of business at 750 N San Vicente Blvd., Los Angeles, CA 90069; and _____, with its principal office/home located at _____ (“Scout”).

RECITALS

WHEREAS, StartEngine operates the website www.StartEngine.com, a FINRA registered Funding Portal that permits issuers to independently connect with prospective investors on the platform (collectively “Services”);

WHEREAS, Scout is in the business of _____; and

WHEREAS, the parties desire to enter into a referral relationship under which Scout shall refer potential clients to StartEngine in exchange for a Referral Fee (as defined below and provided herein).

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

1. Definitions.

1.1 “Accepted Issuers” means a Referral that has been accepted by StartEngine under Section 3.1 of this Agreement that is not an Existing Client..

1.2 “Existing Client” means any client or customer to which StartEngine has furnished Services within the period of one year prior to the applicable Referral Date of a Referral or with which StartEngine has already commenced discussions regarding providing StartEngine’s Services.

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1.3 “Large OPO” means an offering being conducted under Regulation A of the Securities Act of 1933.

1.4 “Referral” means a potential client or customer for Services, which Scout has directly referred to StartEngine. Please see details below in section 3.1 Acceptance.

1.5 “Referral Date” means the date of transmission of a Referral by Scout to StartEngine.

1.6 “Small OPO” means an offering being conducted under Regulation Crowdfunding of the Securities Act of 1933.

2. Referral of Potential Clients or Customers by Scout.

During the term of this Agreement, Scout shall undertake commercially reasonable best efforts to send Referrals to StartEngine. For each Referral, Scout will fill out the form at:

<https://www.startengine.com/scout>

3. Referrals

3.1 Acceptance.

Upon submission of the Referral to StartEngine by Scout, StartEngine will review the Referral to determine if it is an Accepted Issuer. Accepted Issuers must comply with paragraph (a) or (b) or (c) of this section:

- (a) For Referrals undertaking a Small OPO, have signed a \$10,000 delayed payment full-service package from StartEngine Capital LLC.
- (b) For Referrals undertaking a Large OPO, have qualified an offering under Regulation A of the Securities Act and complied with StartEngine’s terms and conditions to allow for posting on StartEngine.
- (c) For Referrals which have qualified an offering under Regulation D of the Securities Act and complied with StartEngine’s terms and conditions to allow for posting on StartEngine.

StartEngine reserves the right to require a Referral to verify either of these criteria by use of an independent accountant at Referral’s expense.

3.2 Referral Fees.

Scouts will receive a fee of \$5,000 for each Accepted Issuer under section 3.1 (a).

Scouts will receive a fee of \$5,000 for each Accepted Issuer under section 3.1 (b) or (c).

Accepted Issuer will receive a StartEngine Promote Credit of \$1,000.

3.3 Payment of Referral Fees.

If, within sixty days of the applicable Referral Date, an Accepted Issuer signs on StartEngine, the Scout shall be entitled to receive a fee (“Referral Fee”). The Referral Fee due is outlined in the

above section “3.2 Referral Fees”. StartEngine will pay the applicable Referral Fee to Scout within thirty days of the signing date in the amount of \$3,000, then the remaining \$2,000 will be paid once the company lists their live campaign on StartEngine.

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3.4 Resolution of Conflicts Regarding Referral Fees.

StartEngine shall not be liable for more than a single Referral Fee for each single Referral. If any third party should make a claim for any Referral Fee or part thereof, then the Referral Fee shall be awarded to the Scout with the earliest Referral Date. StartEngine shall make a reasonable effort to consult with all relevant parties and the final decision of StartEngine regarding the Referral Fee shall be final.

3.5 Disclosure

Scout and StartEngine must disclose to Referral the compensation received by Scout from StartEngine. Disclosure should be conducted via written notice; email is acceptable.

4. Marketing Materials.

Each party may provide the other party standard marketing, sales and technical literature that it uses to promote its products and services. Each party will use the other party’s marketing materials solely for the purposes of this Agreement. Each party may not copy, modify, alter, adapt or create derivative works based on the other party’s marketing materials.

5. Publicity and Trademarks.

5.1 Trademark license from StartEngine.

Subject to the terms and conditions of this Agreement, StartEngine hereby grants to Scout a non-exclusive, non-transferable, royalty-free license, during the term of this Agreement, to use the StartEngine trademarks, service marks, and logos solely for the purposes of this Agreement.

5.2 Trademark license from Scout.

Subject to the terms and conditions of this Agreement, Scout hereby grants to StartEngine a non-exclusive, non-transferable, royalty-free license, during the term of this Agreement, to use the Scout trademarks, service marks, and logos solely for the purposes of this Agreement.

6. No Exclusivity.

This Agreement shall not be construed to be a commitment by either party to work exclusively with the other party regarding referral of potential new business or any other business activities.

7. Representations and Warranties.

Each party represents and warrants that:

- a. it has the necessary corporate power and authority to enter into this Agreement;
- b. it will conduct business in a manner that reflects favorably on the other party and its products and services;

- c. it will make no false or misleading representations with respect to the other party and its products and services; and
- d. it will make no representations, warranties, or guarantees with respect to the specifications, features, or capabilities of the other party's products and services that are inconsistent with the other party's marketing materials.

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EXCEPT AS PROVIDED ABOVE IN SECTION 7, EACH PARTY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

8. LIMITATION OF LIABILITY.

THE PARTIES' TOTAL CUMULATIVE LIABILITY FOR DAMAGES OF ANY KIND ARISING OUT OF THIS AGREEMENT SHALL BE LIMITED TO THE REFERRAL FEES PAYABLE BY STARTENGINE HEREUNDER.

9. Term of Agreement; Survival.

The initial term of this Agreement shall commence as of the Effective Date and shall continue for a period of one (1) year, after which this Agreement shall continue automatically from month-to month, unless terminated as provided herein. Notwithstanding the foregoing, either party may terminate this Agreement at any time and for any reason by providing thirty (30) days' advance written notice to the other party. The obligations contained in Sections 3.2, 3.3, 4, 5, 7, 8, 9 and 10 shall survive the expiration or termination hereof.

10. General.

10.1 Termination for Cause.

Either party may terminate this Agreement upon written notice if the other party materially breaches this Agreement and fails to correct the breach within ten (10) days following written notice specifying the breach.

10.2 Governing Law.

This Agreement and all matters arising out of or relating to this Agreement shall be governed by the laws of the State of California, and shall be decided exclusively by the State or Federal courts located in Los Angeles, California.

10.3 Waiver.

The waiver by either party of any default or breach of this Agreement shall not constitute a waiver of any other or subsequent default or breach.

10.4 Severability.

In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

10.5 Force Majeure.

Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder (except for the payment of money) due to events beyond the reasonable control of such party (each a “Force Majeure Event”). Upon a Force Majeure Event, the non-performing party will be excused from any further performance of its obligations for so long as the event continues and such party continues to use reasonable efforts to resume performance.

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10.6 Assignment.

This Agreement shall not be assigned by Scout, in whole or in part, without the express written consent of StartEngine.

10.7 Entire Agreement.

This Agreement constitutes the complete and exclusive agreement between the parties concerning its subject matter and supersedes all prior or contemporaneous agreements, written or oral, concerning the subject matter of this Agreement. Any modification or amendment of this Agreement will only be effective if in writing and signed by both parties.

10.8 No Third-Party Beneficiaries.

This Agreement is intended for the sole and exclusive benefit of the signatories and is not intended to benefit any third party. Only the parties to this Agreement may enforce it.

10.9 Independent Contractors.

The relationship of StartEngine and Scout shall be and shall at all times remain that of independent contractors. Neither party shall have any authority bind the other party in any respect whatsoever.

10.10 Counterparts.

This Agreement may be executed in counterparts, each of shall constitute an original, and all of which shall constitute one and the same instrument.

10.11 Headings.

The headings in this Agreement are for the convenience only and have no legal effect.

10.12 Notices.

StartEngine may give notice to Scout by e-mail to Scout’s e-mail address on record in StartEngine’s account information. Scout may give notice to StartEngine by sending an e-mail to ryan@startengine.com.

StartEngine Capital, LLC./

StartEngine Crowdfunding, Inc. Scout: _____ Signature: Signature:

_____ Print: _____ Print:

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Title: _____ Title: _____ V3