

THIS CONVERTIBLE PROMISSORY NOTE (THIS “NOTE”) HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”). NO SALE OR DISPOSITION MAY BE EFFECTED EXCEPT IN COMPLIANCE WITH RULE 144 UNDER SAID ACT OR AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE HOLDER SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT OR RECEIPT OF A NO-ACTION LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION.

CONVERTIBLE PROMISSORY NOTE

\$[_____]

“*Issue Date*”: November __, 2022
“*Maturity Date*”: November __, 2024

For value received, LUMINOUS MIND, INC., a Delaware corporation (the “*Company*”), promises to pay to [_____], or his assigns (the “*Holder*”), the principal sum of [_____] and 00/100 Dollars (\$[_____]), together with accrued and unpaid interest thereon, each due and payable on the date and in the manner set forth below.

This Note is one of a series of convertible promissory notes in an aggregate principal amount of up to \$5,000,000 (referred to as “[November 2022 Series Notes]”) issued by the Company to investors with identical terms and on the same form as set forth herein (except that the holder, principal amount, and date of issuance may differ in each November 2022 Series Note).

1. Repayment. All payments of interest and principal shall be in lawful money of the United States of America. All payments shall be applied first to accrued interest, and thereafter to principal. Subject to Section 3(c) below, the outstanding principal amount of the Loan shall be due and payable on the Maturity Date.

2. Interest Rate. The Company promises to pay simple interest on the outstanding principal amount hereof from the date hereof until payment in full, which interest shall be payable at the rate of six percent (6.0%) per annum or the maximum rate permissible by law, whichever is less. Interest shall be due and payable on the Maturity Date and shall be calculated on the basis of a 365-day year for the actual number of days elapsed.

3. Conversion; Repayment Premium Upon Sale of the Company.

(a) Automatic Conversion upon Qualified Financing. In the event that the Company issues and sells shares of its Equity Securities to investors (the “*Investors*”) on or before the date of the repayment in full of this Note in an equity financing or a series of equity financings resulting in gross proceeds to the Company of at least \$5,000,000.00 (excluding the conversion of the November 2022 Series Notes and any other debt) (a “*Qualified Financing*”), then the outstanding principal balance of this Note shall automatically convert in whole without any further action by the Holder into such Equity Securities at a conversion price equal to eighty percent (80.0%) (the “*Applicable Discount*”) of the per share price paid by the Investors; and, otherwise

on the same terms and conditions as given to the Investors. Any unpaid accrued interest on this Note shall be converted into Equity Securities on the same terms as the principal of this Note.

(b) *Optional Conversion upon Non-Qualified Financing.* In the event that the Company issues and sells shares of its Equity Securities to Investors on or before the date of the repayment in full of this Note in an equity financing that is not a Qualified Financing (a “*Non-Qualified Financing*”), then, upon election made by the Requisite Holders, the November 2022 Series Notes shall be convertible into shares of Equity Securities sold to the Investors in such Non-Qualified Financing upon the same terms set forth above as if such Non-Qualified Financing was a Qualified Financing.

(c) *Shadow Series.* Notwithstanding the foregoing, if the conversion price of the Note (the “*Conversion Price*”) is less than the price per share at which Equity Securities are issued in the Qualified Financing or Non-Qualified Financing, as applicable, the Company may, solely at its option, elect to convert the Note into shares of a newly created series of preferred stock having the identical rights, privileges, preferences and restrictions as the Equity Securities issued in the Qualified Financing or Non-Qualified Financing, as applicable, and otherwise on the same terms and conditions, other than with respect to (if applicable): (i) the per share liquidation preference, which will equal the Conversion Price; and (ii) the per share dividend, which will be the same percentage of the Conversion Price as applied to determine the per share dividends of the Investors in the Qualified Financing or Non-Qualified Financing, as applicable, relative to the purchase price paid by such Investors.

(d) *Conversion upon Maturity Date.* In the event that this Note has not been converted pursuant to a Qualified Financing or a Non-Qualified Financing prior to the Maturity Date, then, effective upon the Maturity Date, the outstanding principal balance and any unpaid accrued interest under this Note shall, upon election made by the Requisite Holders, convert in whole without any further action by the Holder into shares of the Company’s then-most senior equity securities at a conversion price equal to the fair market value of such then-most senior equity securities, as determined in by the Company’s board of directors in its sole discretion, as of the Maturity Date (assuming full conversion or exercise of all convertible and exercisable securities then outstanding, including shares of capital stock issued as options or reserved for issuance under the Company’s equity incentive or similar plan, but expressly excluding the November 2022 Series Notes and any other convertible securities similarly being converted). Otherwise, this Note shall become due and payable at such time after the Maturity Date that the Requisite Holders deem the note to be due and payable.

(e) *No Fractional Shares.* If, after aggregation, the conversion of this Note would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then current fair market value of one share of the class and series of equity securities into which this Note has converted by such fraction.

(f) *Repayment upon Sale of the Company.* Notwithstanding any provision of this Note to the contrary, in the event that the Company consummates a Sale of the Company prior to the conversion or repayment in full of this Note, the Company will give the Holder at least ten (10) days prior written notice of the anticipated closing of such Sale of the Company and, at the

closing of such Sale of the Company, in lieu of the principal and interest that would otherwise be payable on the Maturity Date, the Company will pay the Holder, at the Holder's election, an aggregate amount equal to either (i) one times (1x) the aggregate amount of principal and interest then outstanding under this Note or (ii) the amount of proceeds from such Sale of the Company that the Holder would have received had the aggregate amount of principal and interest outstanding under this Note been converted into shares of the Company's then-most senior equity securities at a conversion price equal to the fair market value of such then-most senior equity securities, as determined in by the Company's board of directors in its sole discretion, as of immediately prior to the consummation of such Sale of the Company (assuming full conversion or exercise of all convertible and exercisable securities then outstanding, other than the November 2022 Series Notes and any other convertible securities similarly being converted), in full satisfaction of the Company's obligations under this Note.

(g) *Definitions.* For purposes of this Note:

(i) *"Equity Securities"* shall mean the Company's preferred shares, except that such defined term shall not include any security (A) granted, issued and/or sold by the Company to any employee, director or consultant in such capacity or (B) issued upon the conversion or exercise of any option or warrant outstanding as of the date of this Note. For clarity, subclause (A) of the foregoing sentence does not exclude from the definition of "Equity Securities" any securities issued and sold to any employee, director or consultant at the same price and on the same terms as such securities were issued and sold to other investors.

(ii) *"Sale of the Company"* shall mean (A) 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 equity holders 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; (B) any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50.0%) of the Company's voting power is transferred; *provided, however*, that a Sale of the Company shall not include any transaction or series of transactions principally for bona fide equity or debt financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof; or (C) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company, including the Company's intellectual property.

4. Expenses. In the event of any default hereunder, the Company shall pay all reasonable attorneys' fees and court costs incurred by the Holder in enforcing and collecting this Note.

5. Prepayment. Subject to Section 3(f) above, the Company may prepay this Note at any time prior to the Maturity Date with the written consent of the holders of a majority of the original principal amount of the November 2022 Series Notes then outstanding (the "*Requisite Holders*").

6. Representations and Warranties of the Holder.

(a) *Purchase for Own Account.* The Holder represents that it is acquiring the Note and the Equity Securities (collectively, the “*Securities*”) solely for its own account and beneficial interest for investment and not for sale or with a view to distribution of the Securities or any part thereof, has no present intention of selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the same, and does not presently have reason to anticipate a change in such intention.

(b) *Information and Sophistication.* The Holder hereby (a) acknowledges that it has received all the information it has requested from the Company and it considers necessary or appropriate for deciding whether to acquire the Securities, (b) represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Securities and to obtain any additional information necessary to verify the accuracy of the information given to the Holder and (c) further represents that it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risk of this investment.

(c) *Ability to Bear Economic Risk.* The Holder acknowledges that investment in the Securities involves a high degree of risk, and represents that it is able, without materially impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

(d) *Further Limitations on Disposition.* Without in any way limiting the representations set forth above, the Holder further agrees not to make any disposition of all or any portion of the Securities unless and until:

(i) There is then in effect a registration statement under the Act, covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(ii) The Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and if reasonably requested by the Company, the Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration under the Act or any applicable state securities laws, provided that no such opinion shall be required for dispositions in compliance with Rule 144 under the Act, except in unusual circumstances.

(iii) Notwithstanding the provisions of paragraphs (a) and (b) above, no such registration statement or opinion of counsel shall be necessary for a transfer by the Holder to a partner (or retired partner) or member (or retired member) of the Holder in accordance with partnership or limited liability company interests, or transfers by gift, will or intestate succession to any spouse or lineal descendants or ancestors, if all transferees agree in writing to be subject to the terms hereof to the same extent as if they were the Holder hereunder.

(e) *Accredited Investor Status.* The Holder represents that the Holder is an “accredited investor” as such term is defined in Rule 501 under the Act.

(f) *No General Solicitation.* Neither the Holder, nor any of its officers, directors, managers, employees, agents, stockholders, members or partners has either directly or indirectly, including through a broker or finder, (a) engaged in any general solicitation, or (b) published, distributed, issued, posted or otherwise used or employed any advertisement in connection with the offer and sale of this Note.

(g) *No Disqualification Event.* To the Holder's knowledge, the purchase of this Note by the Holder will not subject the Company to any of the "Bad Actor" disqualifications described in Rule 506(d)(1) under the Act (a "*Disqualification Event*"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Act.

7. Certain Covenants.

(a) *"Market Stand-Off" Agreement.* The Holder agrees that the Holder shall not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any securities of the Company held by the Holder (other than those included in the registration) during the period commencing on the date of the final prospectus relating to the Company's first underwritten public offering of its equity securities under the Act and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days, which period may be extended for an additional period of up to eighteen (18) days upon the request of the Company or the managing underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), provided that all officers and directors of the Company are bound by and have entered into similar agreements. The Holder agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the Holder's obligations under this Section 8(a) or that are necessary to give further effect to this Section 8(a). In addition, if requested by the Company or the representative of the underwriters of securities of the Company, the Holder shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Act. The obligations described in this Section 8(a) shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future.

(b) *Further Assurances.* The Holder agrees and covenants that at any time and from time to time it will promptly execute and deliver to the Company such further instruments and documents and take such further action as the Company may reasonably require in order to carry out the full intent and purpose of this Note and to comply with state or federal securities laws or other regulatory approvals. Nothing contained herein shall require the Holder to cancel or forfeit any rights under the Company's investment documents.

8. Default. If there shall be any Event of Default hereunder, at the option and upon the declaration of the Holder and upon written notice to the Company (which election and notice shall not be required in the case of an Event of Default under Section 8(c) or 8(d) below), this Note

shall accelerate and all principal and unpaid accrued interest shall become due and payable. The occurrence of any one or more of the following shall constitute an “*Event of Default*”:

(a) The Company fails to pay timely any of the principal amount or any accrued interest due under this Note on the date the same becomes due and payable;

(b) The Company shall default in its performance of any other covenant under this Note and the same remains uncured for ten (10) days following notice thereof to the Company;

(c) The Company files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing; or

(d) An involuntary petition is filed against the Company (unless such petition is dismissed or discharged within sixty (60) days under any bankruptcy statute now or hereafter in effect, or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of the Company.

9. Waiver. The Company hereby waives demand, notice, presentment, protest and notice of dishonor.

10. Governing Law. This Note shall be governed by and construed under the laws of the Commonwealth of Massachusetts.

11. Parity with Other Notes. The Company’s repayment obligation to the Holder under this Note shall be on parity with the Company’s obligation to repay the other November 2022 Series Notes. In the event that the Company is obligated to repay this Note and such other obligations and does not have sufficient funds to repay each in full, payment shall be made to the holders thereof on a *pro rata* basis. The preceding sentence shall not, however, relieve the Company of its obligations to the Holder hereunder.

12. Modification; Waiver. Unless otherwise provided herein, any term of this Note may be amended or waived with the written consent of the Company and the Requisite Holders.

13. Assignment. This Note may be transferred only upon its surrender to the Company for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Thereupon, this Note shall be reissued to, and registered in the name of, the transferee, or a new Note for like principal amount and interest shall be issued to, and registered in the name of, the transferee. Interest and principal shall be paid solely to the registered holder of this Note. Such payment shall constitute full discharge of the Company’s obligation to pay such interest and principal. The Company may not transfer or assign its obligations hereunder, by operation of law or otherwise, without the consent of the Requisite Holders.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, this Convertible Promissory Note has been duly executed on behalf of the undersigned as of the date first written above.

LUMINOUS MIND, INC

By: _____

Name: _____

Title: _____

Acknowledged and Agreed:

(Signature)

(Printed Name)

Amount of Note: \$ _____