FORM 1-K

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 1-K

REPORT PURSUANT TO REGULATION A OF THE SECURITIES ACT OF 1933

For the fiscal year ended December 31, 2021

Aptera Motors Corp.
(Exact name of issuer as specified in its charter)

Delaware	**83-4079594**
State or other jurisdiction of incorporation or organization	**(I.R.S. Employer Identification No.)**

5818 El Camino Real Carlsbad, CA 92008
(Full mailing address of principal executive offices)

(858) 371-3151
(Issuer' s telephone number, including area code)

Common Stock
(Title of each class of securities issued pursuant to Regulation A)

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 1-K of Aptera Motors Corp., a Delaware corporation, contains certain forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "potential," "intend," "expect," "outlook," "seek," "anticipate," "estimate," "approximately," "believe," "could," "project," "predict," or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain financial and operating projections or state other forward-looking information. Our ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although we believe that the expectations reflected in our forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth or anticipated in our forward-looking statements. Factors that could have a material adverse effect on our forward-looking statements and upon our business, results of operations, financial condition, funds derived from operations, cash flows, liquidity and prospects include, but are not limited to, the factors referenced in the Aptera Motors Corp. Offering Circular filed pursuant to Regulation A.

When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this report. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our views as of the date of this report. The matters summarized below and elsewhere in this report could cause our actual results and performance to differ materially from those set forth or anticipated in forward-looking statements. Accordingly, we cannot guarantee future results or performance. Furthermore, except as required by law, we are under no duty to, and we do not intend to, update any of our forward-looking statements after the date of this report, whether as a result of new information, future events or otherwise.

As used in this Annual Report, the terms "we", "us", "our", "Aptera", and the "Company", means Aptera Motors Corp., unless otherwise indicated or unless the content indicates otherwise. Aptera is not legally related to Aptera Motors Inc.

ITEM 1. BUSINESS.

Aptera Motors Corp. is a private automotive company with its principal place of business and corporate offices in San Diego, California. The Company' s principal business is the development, production, and distribution of energy efficient solar-powered vehicles.

Our mission is to build the most efficient transportation on the planet. Science drives our approach to building better vehicles and the result is something that can travel as far as 1,000 miles on a single charge. We believe our focus on efficiency will benefit the planet by using our resources more wisely and polluting less.

Throughout the year our testing and validation will help us launch into production with a reliable version of the Aptera in 2022. We plan to begin our earliest deliveries in late 2022 and ramp production in 2023.

Our advantages

We aim to modernize vehicle design and manufacturing. Steel stamping, the common method for manufacturing vehicles, makes the manufacturing process inefficient and is significantly more expensive. With additive manufacturing, the Company can scale production and launch new models quicker. With generative part design, we use artificial intelligence to optimize parts for the greatest strength with the least amount of material and weight. And our resin-infused sandwich-core construction produces lightweight composite structures many times stronger than typical steel-based vehicle designs.

We believe that due to our different processes we can:

Lower manufacturing costs: We believe that we can lower manufacturing costs. This will allow us to use:

Inexpensive and simple tooling

Fewer robots

Fewer people

No welding

Rapid & inexpensive scaling: Aptera' s additive manufacturing strategy gives us the advantages of 3D printed tooling versus milled and finished metal tools.

Reduced part weights and count: Allows for humans to easily position parts making things easy and cheap to assemble.

Less labor and less space: Our modularized build and human positionable parts requires less labor and less space than traditional steel vehicle manufacturing.

In addition, we will be using efficient powertrains where the motors are integrated inside our wheels. Designed to be aerodynamic and lightweight, these in-wheel motors are easier to install and service.

Furthermore, solar power will be an integral part of our platform.

Distribution Plan

Aptera' s strategy leverages lessons from Tesla

Direct-to-consumer sales

Online promotion/test-drive scheduling & events in key markets

Regional pre-delivery warehousing in leased facility requires little CAPEX

Southern California rollout initially with Major Metro Areas soon after

Mobile service house calls (a model proven globally by Tesla)

Our Products

When Aptera launches, our first vehicle will have the following features:

Size: 177” in overall length, 88” in overall width and 57” in overall height

Cargo Capacity: 25 cu. ft. volume

Passengers Seating for 2 Adults + Pet

Exterior Colors: 3 different options

Interior Colors: 3 different options

Pricing $25,900 - $46,900+

Expected delivery: 2022-2024 depending on order timing and configuration

Premium features:

Custom Interior/ Exterior Colors to create an Aptera that’ s unique for you.

Enhanced Audio gives you an extra 3 channels of audio for sound depth and deeper bass.

SafetyPilot makes travel easy with level 2 autonomy capabilities.

Safety divider and accessories to secure your pet while driving.

Integrated tent and rear awning for camping adventures.

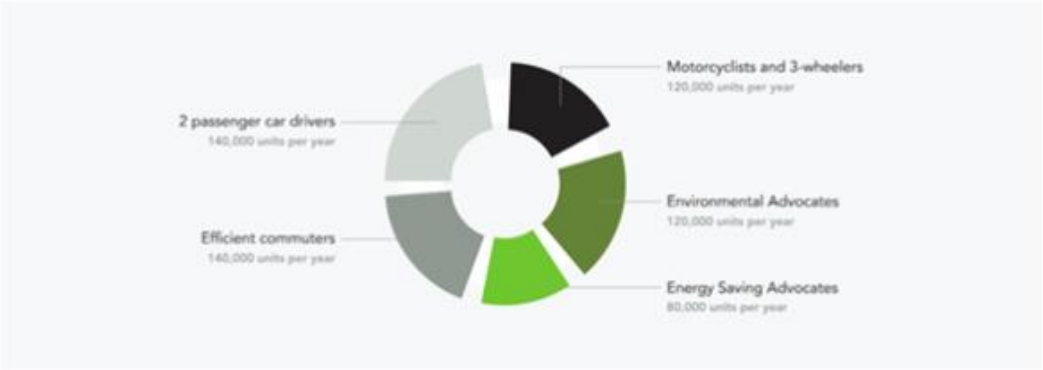
Take Aptera off road with more ground clearance and tougher wheel covers.

Environmental Impact

If Aptera produces one million vehicles, we’ ll reduce our C02 footprint by seven million tons per year. Each Aptera owner can reduce their carbon footprint by over 14,000 pounds of CO2 per year, what 884 twenty-five-year-old pine trees can absorb in a year. If one out of every 20 ICE vehicles on the road were replaced with an Aptera, Americans would save 18 million gallons of gasoline every day or six billion gallons per year (assuming 20mpg ICE vehicle).

Market Size

We believe our current addressable market is the roadster market which we estimate as 600,000 units per year. We currently have over 18,000 pre-orders for our vehicles.



Competition

The automotive business is competitive.

We face competition from a variety of automobile manufacturers, many of whom have significantly more resources than we do. These competitors include Tesla, BMW, Toyota, and Rivian. Traditional automobile manufacturers are increasingly devoting more resources to developing hybrid and electric vehicles. As a result of this competition, the Company may be unable to acquire significant market share. There can be no assurance that additional capital or other types of financing will be available or, if available, the terms of such financing will be favorable to the Company.

Legal and Regulatory Environment

Various aspects of our business and service areas are subject to U.S. federal, state, and local regulation, as well as regulation outside the United States. We are not aware of any pending or threatened legal actions that we believe would have a material impact on our business.

Employees/Consultants

We have 89 full-time employees and 14 part-time employees. We do not currently have any pension, annuity, profit sharing, or similar employee benefit plans, although we may choose to adopt such plans in the future.

We plan to engage contractors from time to time on an as-needed basis to consult with us on specific corporate affairs, or to perform specific tasks in connection with our business development activities.

Intellectual Property

The Company is dependent on the following intellectual property:

We have filed for nine patents and our patenting process is ongoing. Pending patent applications include three design patents, four provisional, and two non-provisional patent applications. These patents cover our aerodynamic shape, solar integration, and manufacturing techniques, and trade secrets currently cover other technologies such as our novel skin cooling methods. To date, we have relied on copyright, trademark and trade secret laws, as well as confidentiality procedures and licensing arrangements, to establish and protect intellectual property rights to our vehicle cooling method(s), process technologies and vehicle designs. We typically enter into confidentiality or license agreements with employees, consultants, consumers and vendors in an effort to control access to and distribution of technology, software, documentation and other information. Policing unauthorized use of this technology is difficult and the steps taken may not prevent misappropriation of the technology. In addition, effective protection may be unavailable or

limited in some jurisdictions outside the United States, Canada and the United Kingdom. Litigation may be necessary in the future to enforce or protect our rights or to determine the validity and scope of the rights of others. Such litigation could cause us to incur substantial costs and divert resources away from daily business, which in turn could materially adversely affect the business.

ITEM 2. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes included in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements.

General

We were formed as a Delaware corporation on March 4, 2019. The Company was formed to engage in the production of energy-efficient, solar powered vehicles. The Company first began receiving orders for its product in pre-sales in December 2020. We have not delivered any products, and to date we have not recognized any revenue.

Operating Expenses

Operating expenses are classified as general, selling and administrative and research and development.

General, Selling and Administrative

General, selling and administrative expenses consist of administrative, compliance, legal, investor relations, financial operations, and information technology services. They include related department salaries, office expenses, meals and entertainment costs, software/applications for operational use, and other general and administrative expenses, including but not limited to technology subscriptions and travel expenses. These expenses account for a significant portion of our operating expenses. We anticipate that our general and administrative expenses will increase in the future to support our continued growth and the costs associated with increased reporting requirements.

Research and Development

The Company spends significant money on engineering expenses to further its product design and capabilities. Research and development expenses consist primarily of personnel costs for our teams in engineering and research, supply chain, quality, and manufacturing engineering.

Results of Operations

Comparison of the results of operations for the years ended December 31, 2021, and 2020

General, Selling and Administrative Expenses

A $6.5 million (or 761%) increase in general, selling and administrative expenses related to:

- An increase in stock-based compensation of $3.8 million due to the hiring of key management and executive positions as well as stock options for additional administrative, finance and marketing headcount
- An increase in salary and wages of $1.0 million due to increased headcount
- An overall increase in marketing expenses of $0.6 million due to additional costs associated with marketing our vehicle and Regulation A offering.

An increase in outside services including legal and professional fees $1.2 million as a result of outsourced legal, accounting, business development and information technology services to operate and expand the business.

Research and Development Expenses

A $8.1 million (or 245%) increase in research and development costs related to

An increase in stock-based compensation of $1.3 million due to the hiring of key management and positions as well as stock options for the increase in headcount for the engineering department

An increase in salary and wages of $2.1 million due to increased headcount

An increase in outside services $3.4 million due to significant increase in engineering services,

An increase in equipment materials of $0.8 million to further develop the vehicle and its capabilities

An increase of $0.3 million for facilities costs due to additional leased space and

An increase of $0.1 million in supplies and logistics costs

Change in Fair Value of SAFE Liability

The fair value of SAFE liability increased by $77.7 million for the year ended December 31, 2021, compared to the year ended December 31, 2020. This was primarily due to the increase in the fair value of the Company' s stock that was used in estimating the fair value of the SAFE liabilities. SAFEs are not currently a cash obligation of the company, see Note 5 of the Audited Financial Statements. Like many early-stage companies, the Company used SAFEs as an investment vehicle for early investors.

As a result of the foregoing, the Company' s net loss for the year ended December 31, 2021, was $96.5 million compared to $4.2 million for the year ended December 31, 2020.

Liquidity and Capital Resources

As of December 31, 2021, the Company had $23.3 million in total assets, including $19.3 million in cash and cash equivalents $0.8 million in prepaids and others, which relates to software and refunds due from vendors and $18.6 thousand in merchant receivables, which relates to amounts receivable from pre-orders received through the Company' s merchant processor. As of December 31, 2021, the Company had $84.8 million in total liabilities including $1.4 million in accounts payable, $0.5 million in accrued liabilities, $1.2 million in unearned reservation fees, and $81.5 million in SAFE agreements. In March 2022, the Company entered into a new lease agreement for land and building. The lease is due to commence on July 1, 2022, for a term of 84 months. As part of the terms of the lease agreement the Company received a $0.9 million tenant improvement allowance.

To date, the Company has primarily been funded from the sale of our common stock as well as the sale of SAFE agreements.

During the year ended December 31, 2021, the Company issued:

3,105,881 shares of our Class A common stock at a weighted average price of $1.75 per share for total proceeds of $5.4 million;

5,298,157 shares of its Class B Common Stock at a weighted average price of $5.31 per share for total proceeds of $28.1 million;

SAFE agreements in exchange for cash investments totaling $2.2 million.

The Company has enough capital to last up to and through its Regulation A offering, to sustain its current operations. The Company has no bank lines or other financing arranged. We believe that the proceeds from the offering, together with our cash and cash equivalent balances will be adequate to meet our liquidity and capital expenditure requirements for the next 12 months. We anticipate that we will need at least $50 million, in addition to the amounts previously raised, to reach the vehicle production stage. If these sources are not sufficient to meet our cash requirements, we will need to seek additional capital, potentially through private placements of equity or debt, to fund our plan of operations.

Trend Information

Our focus in 2022 is in completing a production intent vehicle design and validation by the end of the year. We will be engaging with many new partners to supply validated production parts in 2022/2023. We will also engage with validation and durability testing partners to assure the reliability of our production intent design. Along with these activities, we will continue to build our internal team and acquire facilities for production trials and vehicle and parts testing. Our marketing team will be actively engaging with the public to educate them on our brand proposition and to garner as many vehicle orders as possible. These orders help us determine our production mix and the speed at which we need to ramp our production numbers. As a result of the above the company will experience increased spending across the organization including general, selling, and administrative as well as research and development expenses.

Impact of COVID-19

The COVID-19 pandemic is having widespread, rapidly evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. Federal and state governments have implemented measures to contain the virus, including social distancing, travel restrictions, border closures, limitations on public gatherings, work from home, and closure of non-essential businesses. Although work from home and remote learning have increased the relevance of the Company' s products and services, management is uncertain what effects a prolonged economic downturn would have on demand for the Company' s products and services and its access to capital. Additionally, the Company could face supply chain and shipping issues as a result of the COVID-19 pandemic that could impact its ability to meet customer demand. If the Company is not able to respond to and manage the impact of such events effectively and if the macroeconomic conditions that affect the global supply chain do not improve or if they deteriorate further, the Company' s business, operating results, financial condition and cash flows could be adversely affected.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in in financial condition, revenue or expenses, results of operations, liquidity, capital expenditure or capital resources that are material to investors.

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ITEM 3. DIRECTORS AND OFFICERS

The Company' s officers and directors are as follows:

Name	Position	Age	Term of Office	Approximate hours per week for part-time employees
Executive Officers:				
Chris Anthony	Co-Chief Executive Officer	46	March 2019 – Present	Full-time
Steve Fambro	Co-Chief Executive Officer & Secretary	54	March 2019 – Present	Full-time
Jannies Burlingame	Chief Financial Officer	46	May 2021 – Present	Full-time
Directors:				
Chris Anthony	Director	46	March 2019 – Present	N/A
Steve Fambro	Director	54	March 2019 – Present	N/A

Chris Anthony, Co-Chief Executive Officer and Director:

Chris Anthony is our Co-CEO. Chris was also a founder and former CEO of Flux Power, an advanced lithium-battery technology company from October 2009 – December 2019. He was also the founder and CEO of Epic boats, a technology leader in the pleasure boat market, between July 2002 and December 2018. Chris has raised more than $100m in private equity, DPO, and grant funding for technology ventures. Chris holds a BS in Finance from the Cameron School of Business at UNC.

Steve Fambro, Co-Chief Executive Officer and Director:

Steve Fambro is currently our Co-CEO. Steve was a venture partner and COO of Ocean Holding, an investment and development company dedicated to advancing the use of clean, renewable energy from July 2015 to August 2017. He was also the founder of Famgro; which built a superefficient pesticide/ herbicide-free indoor food-production system from January 2010 to March of 2015. Steve holds a BSEE from University of Utah with an emphasis in electromagnetics and antenna design.

Jannies Burlingame, Chief Financial Officer:

Jannies Burlingame is our CFO. Prior to becoming our CFO, she founded and worked at SS&B Global Consulting in 2006, where she led dozens of IPOs specializing in risk management, compliance, and M&A' s. Jannies graduated from Leventhal School of Accounting, and holds board positions in the IIA, ACFCS, NACD, and is an Exceptional Women Awardee. She is a 2024 Doctoral Candidate at Emlyon/Durham University Business School.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

For the fiscal year ending December 31, 2021, we compensated our executive officers as follows:

Name and Capacity	Cash Compensation (1)	Other Compensation (2)	Total Compensation
Chris Anthony (CEO/Director)	$ 211,558	$ (3)	$ 211,558
Steve Fambro (CEO/Secretary/Director)	$ 180,608	$ (3)	$ 180,608
Jannies Burlingame (CFO)	$ 181,508	$ (4)	$ 181,508

(1) Includes bonuses paid with respect to the 2021 fiscal year.
(2) The executives also received medical and health benefits, generally available to all salaried employees.
(3) On July 28, 2021, options for 540,000 shares of Class B Stock were granted to each of Mr. Anthony and Mr. Fambro under the 2021 Stock Option and Incentive Plan. One-fourth of these options will vest on July 28, 2022, and the remaining options will vest annually over the following three years.
(4) On June 30, 2021, options to purchase for 1,212,241 base shares and 674,578 performance bonus shares for an exercise price of $3.80 per share were granted to Mrs. Burlingame under the 2021 Stock Option and Incentive Plan. One-fourth of the base shares will vest on August 1, 2022, and the remaining options will vest annually over the following three years. The performance bonus shares will vest upon completion of performance metrics, see the Stock Option Grant attached as Exhibit 6.6.

We did not compensate our directors in their capacity as directors. There are two directors in this group.

ITEM 4. SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN SECURITYHOLDERS

The following table sets out, as of December 31, 2021, the securities of the Company that are owned by executive officers and directors, and other persons holding more than 10% of the Company' s voting securities or having the right to acquire those securities. The table assumes that all options have vested.

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Amount and nature of beneficial ownership acquirable (2)	Percent of Class (3)(4)
Michael Johnson Properties, Ltd.	15,249,750 shares of Class A Common Stock	0	28.08 %
Chris Anthony	15,000,000 shares of Class A Common Stock	0	27.62 %
Steve Fambro	15,000,000 shares of Class A Common Stock	0	27.62 %
Patrick H Quilter Trust	15,000,000 shares of Class A Common Stock	0	10.54 %
All executive officers and directors as a group	30,000,000 shares of Class A Common Stock	0	55.24 %

(1) The address for all the executive officers, directors, and beneficial owners is c/o Aptera Motors Corp., 5818 El Camino Real Carlsbad, CA 92008.
(2) Options are not vested.
(3) Based on 54,304,631 shares of Class A Common Stock outstanding.
(4) This calculation is the amount the person owns now, plus the amount that person is entitled to acquire. That amount is then shown as a percentage of the outstanding amount of securities in that class if no other person exercised their rights to acquire those securities. The result is a calculation of the maximum amount that person could ever own based on their current and acquirable ownership, which is why the amounts in this column may not add up to 100% for each class.

ITEM 5. INTERESTS OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

In March of 2020, the Company disbursed $300,000 to Michael Johnson, the beneficial owner of Michael Johnson Properties, Ltd. Mr. Johnson paid back the $300,000 in July of 2020.

ITEM 6. OTHER INFORMATION

None.

ITEM 7. FINANCIAL STATEMENTS

APTERA MOTORS CORP.

FINANCIAL STATEMENTS

As of December 31, 2021, and 2020 and for the Years then Ended

APTERA MOTORS CORP.
Index to Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Aptera Motors Corp.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Aptera Motors Corp. (the "Company") as of December 31, 2021 and 2020, the related statements of operations, stockholders' deficit, and cash flows, for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and negative net cash used in operating activities, which raises substantial doubt about its ability to continue as a going concern. Management' s plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on the Company' s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company' s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ dbb*mckennon*
San Diego, California
May 2, 2022

APTERA MOTORS CORP.
BALANCE SHEETS

	December 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash	$19,334,550	$653,771
Merchant receivable	18,599	435,315
Prepaids and other	804,982	47,471
Total current assets	20,158,131	1,136,557
Deferred offering costs	–	58,000
Deposits and other long-term assets	2,742,907	–
Property and equipment, net	358,403	6,515
Total assets	$23,259,441	$1,201,072
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$1,406,779	$–
Accrued liabilities	548,962	131,919
Unearned reservation fees	1,242,930	452,070
Debt, short term	59,600	–
Total current liabilities	3,258,271	583,989
Simple agreements for future equity ("SAFE")	81,512,432	1,630,453
Total liabilities	84,770,703	2,214,442
Commitments and contingencies (Note 6)		
Stockholders' Deficit		
Class A Common Stock, $0.0001 par value, 75,000,000 shares authorized, 54,304,361 and 51,198,750 shares issued and outstanding, respectively	5,430	5,121
Class B Common Stock, $0.0001 par value, 115,000,000 shares authorized, 5,298,157 and 0 shares issued and outstanding, respectively	530	–
Additional paid in capital	40,404,405	3,394,979
Subscription receivable	(984,513)	–
Accumulated deficit	(100,937,114)	(4,413,470)
Total stockholders' deficit	(61,511,262)	(1,013,370)
Total liabilities and stockholders' deficit	$23,259,441	$1,201,072

See accompanying notes to the financial statements.

APTERA MOTORS CORP.
STATEMENTS OF OPERATIONS

	Year Ended December 31, 2021	Year Ended December 31, 2020
Revenues	$–	$–
Cost of revenues	–	–
Gross profit	–	–
Operating Expenses:		
General, selling, and administrative	7,407,848	860,448
Research and development	11,472,430	3,328,535
Total operating expenses	18,880,278	4,188,983
Operating loss	(18,880,278)	(4,188,983)
Interest income	16,234	–
Change in fair value of SAFE liability	(77,659,600)	–
Loss before income taxes	(96,523,644)	(4,188,983)
Income tax	–	–
Net loss	$(96,523,644)	$(4,188,983)
Weighted average loss per share of Class A and Class B common stock–basic and diluted	$(1.74)	$(0.09)
Weighted average shares outstanding of Class A and B common stock–basic and diluted	55,449,555	49,213,525

See accompanying notes to the financial statements.

APTERA MOTORS CORP.
STATEMENTS OF STOCKHOLDERS' DEFICIT

	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Subscriptions Receivable	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
December 31, 2019	45,000,000	4,500	–	–	195,600	–	(224,487)	(24,387)
Sale of common stock	6,198,750	621	–	–	3,199,379	–	–	3,200,000
Net loss	–	–	–	–	–	–	(4,188,983)	(4,188,983)
December 31, 2020	51,198,750	$5,121	–	$ –	$3,394,979	$–	$(4,413,470)	$(1,013,370)
Sale of common stock	3,105,881	309	5,271,841	527	33,457,647	(984,513)	–	32,473,970
Stock issuance costs	–	–	–	–	(1,648,108)	–	–	(1,648,108)
Shares issued for services	–	–	26,316	3	99,997	–	–	100,000
Stock based compensation	–	–	–	–	5,099,890	–	–	5,099,890
Net loss	–	–	–	–	–	–	(96,523,644)	(96,523,644)
December 31, 2021	54,304,631	$5,430	5,298,157	$ 530	$40,404,405	$(984,513)	$(100,937,114)	$(61,511,262)

See accompanying notes to the financial statements.

APTERA MOTORS CORP.
STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2021	Year Ended December 31, 2020
Cash Flows from Operating Activities		
Net loss	$(96,523,644)	$(4,188,983)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	14,587	1,840
SAFE issuance costs	41,250	21,500
SAFEs issued for services	–	1,111,661
Change in fair value of SAFE liability	77,659,600	–
Stock based compensation	5,099,890	–
Common stock issued for services	100,000	
Changes in operating assets and liabilities:		
Merchant receivable	416,716	(435,315)
Prepaids	(757,511)	(47,471)
Deferred offering costs	58,000	(58,000)
Deposits and other long-term assets	(2,742,907)	–
Accounts payable	1,406,779	131,919
Accrued expenses	417,043	–
Unearned reservation fees	790,860	452,070
Net cash used in operating activities	(14,019,337)	(3,010,779)
Cash Flows from Investing Activities		
Purchase of property and equipment	(306,875)	–
Net cash used in investing activities	(306,875)	–
Cash Flows from Financing Activities		
Proceeds from SAFE agreements	2,181,129	274,168
Proceeds from sale of common stock	32,473,970	3,200,000
Common stock issuance costs	(1,648,108)	–
Net cash provided by financing activities	33,006,991	3,474,168
Increase in cash and cash equivalents	18,680,779	463,389
Cash and cash equivalents, beginning of year	653,771	190,382
Cash and cash equivalents, end of year	$19,334,550	$653,771
Supplemental disclosures of cash flow information:		
Cash paid for interest	$–	$–
Cash paid for income taxes	$–	$–
Non cash investing and financing activities:		
Subscriptions receivable	$984,513	$–
Financing of property and equipment purchases	$59,600	$–
Issuance of contractor SAFEs	–	$1,111,661

See accompanying notes to the financial statements.

APTERA MOTORS CORP.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1–ORGANIZATION AND BUSINESS

Aptera Motors Corp. was incorporated on March 4, 2019 ('Inception") in the State of Delaware. The financial statements of Aptera Motors Corp. (which may be referred to as the "Company", "we," "us," or "our") are prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The Company' s headquarters are located in San Diego, California.

The Company is developing an electric vehicle focused on efficiency. We began designing a Beta version of this vehicle while collecting pre-orders for its sale in 2021, and we intend to enter into production of this vehicle in 2022, subject to many variables.

Risks and Uncertainties

The Company has no revenue from operations. The Company' s business and operations are sensitive to general business and economic conditions in the U.S. and worldwide along with local, state, and federal governmental policy decisions. A host of factors beyond the Company' s control could cause fluctuations in these conditions. Adverse conditions may include: our limited operating history, changes in our small management and development team, the capital-intensive nature of vehicle manufacturing, barriers to market entry, competing technologies, regulatory conditions, volatility in demand, and inflation of production and shipping costs. These adverse conditions could affect the Company' s financial condition and the results of its operations. The Company may also be adversely affected by the impact of COVID-19 on our global supply chain.

Going Concern and Management's Plans

We will rely on external financings to operate in the Company' s early stages. We will incur significant additional costs before significant revenue is achieved. The Company invests heavily in research and development to bring the vehicle to production and will incur losses from operations. These matters raise substantial doubt about the Company' s ability to continue as a going concern. During the next 12 months, the Company intends to fund its operations with funds received from our Regulation 1-A offering, and additional debt and/or equity financing as determined to be necessary. There are no assurances that management will be able to raise capital on terms acceptable to the Company. If we are unable to obtain sufficient amounts of additional capital, we may be required to reduce the scope of our planned development, which could harm our business, financial condition and operating results. The financial statements do not include any adjustments that might result from these uncertainties.

NOTE 2–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting periods. Management uses historical and other pertinent information to determine those estimates. Actual results could materially differ from these estimates. The most significant estimates made in preparing the accompanying financial statements, for which it is reasonably possible that changes in estimates will occur in the near term, include the following:

Fair value measurement of SAFE contracts.

Recoverability of long-lived assets.

Stock-based compensation

Deferred tax assets and liabilities

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NOTES TO THE FINANCIAL STATEMENTS

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance provides an established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company' s assumptions about the factors that market participants would use in valuing the asset or liability. There are three levels of inputs that may be used to measure fair value:

Level 1−Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2−Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

Level 3−Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair-value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2021, and 2020.

As of December 31, 2021, and 2020, the respective carrying value of cash and cash equivalents, receivables, other current assets, accounts payable, unearned reservation fees and short-term debt approximated their fair values.

The following are the classes of assets and liabilities measured at fair value at December 31, 2021, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

	Fair Value Hierarchy as of December 31, 2021			
Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at December 31, 2021
Derivatives:				
SAFE agreements	$ –	–	$81,512,432	$ 81,512,432
Total recurring fair value measurements	$ –	–	$81,532,432	$ 81,512,432

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	Fair Value Hierarchy as of December 31, 2020			
Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at December 31, 2021
Derivatives:				
SAFE agreements	$ –	$ –	$1,630,453	$ 1,630,453
Total recurring fair value measurements	$ –	$ –	$1,630,453	$ 1,630,453

The Company measures the fair value of the Simple Agreements for Future Equity ("SAFE") at their fair value on a recurring basis (see Note 5). The fair value of the SAFEs was determined based on Level 3 inputs as there are no observable direct or indirect inputs. The Company estimated the fair value of the SAFE liability based on the weighted probability of settling the SAFEs under the different settlement scenarios. The valuation employed the estimated fair value of the Company' s Common Stock, then applied a backsolve method, which utilizes the option pricing method (the Black-Sholes option pricing model), to calculate the implied enterprise value of the Company. The option pricing method treats classes of stock, including the SAFE instruments, having the attributes of common stock and preferred stock securities, as call options on the value of the Company' s equity, with exercise prices based on the liquidation preferences of preferred stockholders and SAFE holders. Significant inputs to the valuation of the SAFEs included the value of the Company' s common stock, estimated volatility of the Company' s common stock, estimated life and management' s estimate of the probability of settling the SAFEs under the possible settlement alternatives.

The following is a reconciliation of the opening and closing balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2021, and 2020:

	Level 3 Liabilities
SAFEs, December 31, 2019	$223,124
Additions	1,407,329
Changes in fair value	–
SAFEs, December 31, 2020	$1,630,453
Additions	2,222,379
Changes in fair value	77,659,600
SAFEs, December 31, 2021	$81,512,432

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Cash and Cash Equivalents

For purpose of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Merchant Receivable

Merchant receivable is related to amounts receivable from pre-orders received through the Company' s merchant processor. Merchant receivable is shown net of fees charged by the merchant processor.

Deferred Offering Costs

The Company had deferred certain costs related to its Regulation 1-A offering as of December 31, 2020 in accordance with ASC 340-10-S99-1. The Company has used a portion of those deferred costs to offset additional paid-in capital as proceeds are received from the raise. During 2021 the Company received the proceeds and offset them against additional paid-in capital.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful life of the assets. The estimated useful life of research and development equipment, other equipment, and construction in progress is five years, see Note 4.

Long-Lived Assets

Long-lived assets, such as property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for potential impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent the carrying amount of the underlying asset exceeds its fair value. No impairment loss was recognized for the years ended December 31, 2021 and 2020.

Simple Agreements for Future Equity (SAFE)

The Company has issued SAFE instruments in exchange for cash financing with outside investors. The Company has also issued SAFEs in exchange for work performed by independent contractors. These SAFEs have been classified as long-term liabilities, see Note 5.

The Company has accounted for its SAFE investments as liability derivatives under the Financial Accounting Standards Board' s ("FASB") Accounting Standards Codification ("ASC") Topic 815, *Derivatives and Hedging*. If any changes in the fair value of the SAFEs occur, the Company records such changes through earnings.

Income Taxes

The Company applies ASC 740 Income Taxes. Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial statement reported amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax expense for the period, if any, and the change during the period in deferred tax assets and liabilities.

ASC 740 also provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. A tax benefit from an uncertain position is recognized only if it is "more likely than not" that the position is sustainable upon examination by the relevant taxing authority based on its technical merit.

The Company is subject to tax in the United States ("U.S.") and files tax returns in the U.S. Federal jurisdiction and California state jurisdiction. The Company is subject to U.S. Federal, state and local income tax examinations by tax authorities for all periods since Inception. The Company has elected a year-end of December 31 and has yet to file any tax filings; all periods remain open to examination.

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Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with FASB ASC 718 Compensation – Stock Compensation ("ASC 718"), which establishes accounting for equity instruments exchanged for employee services. Under such provisions, stock-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense, under the straight-line method, over the employee' s requisite service period (generally the vesting period of the equity grant).

The Company accounts for equity instruments, including stock options, issued to non-employees in accordance with authoritative guidance for equity-based payments to non-employees. Stock options issued to non-employees are accounted for at their calculated fair value of the award.

Research and Development

The Company incurs research and development costs during the process of researching and developing new technologies to further its product design and capabilities. Such costs are expensed as incurred.

Concentration of Credit Risk

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be credit worthy. Balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At times, the Company may maintain balances in excess of the federally insured limits.

Loss Per Share

We compute net loss per share of Class A and Class B common stock using the two-class method. Basic net loss per share is computed using the weighted-average number of shares outstanding during the period. Diluted net loss per share is computed using the weighted-average number of shares and the effect of potentially dilutive securities outstanding during the period. For periods in which we incur a net loss, the effects of potentially dilutive securities would be antidilutive and would be excluded from diluted calculations. Dilutive securities consist of options under the Company' s 2021 Stock Option and Incentive Plan (Note 9) and its convertible SAFEs (Note 5). The Company' s SAFE agreements do not convert into common shares unless a certain triggering event occurs.

For the years ended December 31, 2021 and 2020, the loss per share was $1.74 and $.09, respectively, based on weighted average shares outstanding of Class A common stock of 53,511,467 and 49,213,525 and Class B common stock of 1,938,088 and 0 respectively.

The outstanding dilutive securities as of December 31, 2021 consists of outstanding options of 10,622,944.

Recent Accounting Pronouncements

The FASB issues Accounting Standards Updates ("ASU") to amend the authoritative literature in the ASC. There have been a number of ASUs to date that amend the original text of ASC. The Company believes those issued to date, other than the update noted below, either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to the Company or (iv) are not expected to have a significant impact on the Company.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU requires lessees to recognize right-of-use assets and corresponding lease liabilities for all leases not considered short-term leases. Recognition, measurement, and presentation of expenses will depend on classification as either a finance or operating lease. ASU 2016-02 also requires certain quantitative and qualitative disclosures. ASU 2020-05 deferred the effective date of the adoption of ASU 2016-02 for the Company until January 1, 2022. The adoption of ASU 2016-02 will result in an

increase to the Company' s balance sheets for lease liabilities and right-of-use assets. The Company is currently evaluating the other effects the adoption of this ASU will have on its financial statements and related disclosures.

NOTE 3 - MERCHANT RECEIVABLE AND UNEARNED RESERVATION FEES

In December 2020, the Company launched its pre-orders using a third-party merchant processor. The Company recorded the unearned reservation fees of $0.5 million as the gross amount due to the customers, should they require a refund. The fees charged by the merchant processor of $16.8 thousand for the year ended December 2020 were recorded to general and administrative expenses. The net amount receivable of $0.4 million from the merchant processor is recorded as a merchant receivable as of December 31, 2020. The merchant processor has a certain reserve on the funds to cover potential refunds to customers.

As of December 31, 2021, the Company has recorded unearned reservation fees of $1.2 million as the gross amount due to customers, should they require a refund. The fees charged by the merchant processor of $27.4 thousand for the year ended December 31, 2021, were recorded to general and administrative expenses. As of December 31, 2021, the Company has a net amount receivable of $18.6 thousand from the merchant processor which is recorded as a merchant receivable.

NOTE 4 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net as of December 31, 2021 and 2020 consisted of the following:

	December 31, 2021	December 31, 2020
Research and development equipment	$ 271,638	$ 9,200
Other equipment	44,444	–
Construction in progress	59,593	–
	375,675	9,200
Less accumulated depreciation	(17,272)	(2,685)
Total property and equipment, net	$ 358,403	$ 6,515

Depreciation of property and equipment held for use amounted to $14.5 thousand and $1.8 thousand for the years ended December 31, 2021 and 2020, respectively.

NOTE 5 - SIMPLE AGREEMENT FOR FUTURE EQUITY ("SAFE")

During the year ended December 31, 2021, and the period from Inception to December 31, 2020, the Company entered into SAFE agreements with various investors in exchange for cash proceeds totaling $2.2 million and $0.3 million, respectively. Also, during the years ended December 31, 2021, and 2020, the Company entered into SAFE agreements with certain independent contractors as compensation for the services performed by them, in the amount of $0 and $1.1 million, respectively. The agreements provide the investors (and independent contractors) certain rights to future equity in the Company under the terms of the SAFE agreements. The SAFE agreements have no maturity date and bear no interest. The terms of the SAFE agreements have materially consistent terms, except for differences in the "Valuation Cap" (as defined in the SAFE agreement) and discount rate.

The SAFE Agreements must be settled primarily upon the following events: (a) a qualified equity financing, as defined in the SAFE agreements (a "QEF"), (b) a change of control or initial public offering (a "Liquidity Event"), or (c) any other liquidation, dissolution or winding up of the Company (a "Dissolution Event").

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Upon a QEF, these SAFE agreements become convertible into shares of a special class of the Company' s preferred stock. The number of shares the SAFE agreements are convertible into is determined by the amount received from investors (or the value of services rendered by independent contractors) in the SAFE (the "SAFE Amount"), divided by the lower of (1) QEF, and (2) the price at which the Company issues shares in the QEF, multiplied by a discount rate (as stated in the SAFE agreement), which varies per agreement from 90% to 100%.

In the case of a Liquidity Event, SAFE holders are repaid, at their option, either (a) cash equal to their SAFE Amount, or (b) the number of common shares equal to the SAFE Amount divided by the price per share equal to the Valuation Cap divided by the number of shares of capital stock outstanding immediately prior to the Liquidity Event.

In the case of a Dissolution Event, the Company will first pay senior preferred stockholders any amounts due and payable to them in accordance with the Company' s certificate of incorporation, and then pay SAFE holders an amount to the SAFE Amount.

In addition, under certain SAFE agreements, the Company has the option to repurchase the SAFEs if it determines that it is likely that within six months from the date of determination that the securities of the Company will be held of record by a number of persons that would require the Company to register a class of its equity securities under the Securities Exchange Act of 1934, at the greater of: a) SAFE Amount or b) the fair market value of the SAFE instrument as determined by a third-party valuation.

The SAFE agreements issued to investors and independent contractors are recorded as "SAFE liability" on the balance sheet, measured at fair value on a recurring basis. The change in the fair value of the SAFEs during the period is recorded as "change in fair value of SAFE liability" in the statement of operations.

The valuation of the SAFE liability as of December 31, 2021, which was performed by a third-party with the assistance of management, relied upon the fair market value of common stock as of December 31st, 2021 of $8.80 based on the Regulation A offering price on that date. The fair market value of common stock serves as an input for the Black-Scholes method, which utilizes the Option Pricing Method (OPM) to calculate the implied value of each security based on the recent transaction price.

This valuation method estimated the fair value of the SAFEs within the OPM, which treats classes of stock, including the SAFE instruments, having the attributes of common stock and preferred stock securities as call options on the value of the company equity, with exercise prices based on the liquidation preferences of preferred stockholders and SAFE holders. The OPM considers the various terms of the stockholder and SAFE holders upon liquidation of the enterprise, including the level of seniority among the securities, dividend policy, conversion ratios, and cash allocations. In addition, the method implicitly considers the effect of liquidation preferences as of the future liquidation date, not as of the valuation date.

An input to the OPM is volatility. To estimate volatility for the Company' s valuation specialist used the historical volatility of guideline public companies. A median volatility from the peer group was selected. Another input to the OPM is the Company' s expected time to exit. Lastly, each of the conversion events was probability-weighted based on management' s expectation for the probability of each outcome occurring as of the valuation date.

The aggregate amount of the SAFE liability is $81.5 million and $1.6 million as of December 31, 2021, and 2020, respectively. During the years ended December 31, 2021, and 2020, the change in the fair value of the SAFE liability was $77.7 million and $0.0 million, respectively. As of December 31, 2021, none of the SAFE agreements have been settled, as a triggering event has not yet occurred.

During the years ended December 31, 2021, and 2020, the Company paid commissions to a crowdfunding provider in the amount of $41.3 thousand and $21.5 thousand, respectively, representing approximately 1.9% and 7.3%, respectively, of the gross SAFE proceeds issued to investors for originating the SAFE agreements with investors.

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Subsequent to December 31, 2021, the Company issued SAFE agreements to outside investors for proceeds of $52.5 thousand. Also, subsequent to December 31, 2021, the Company issued SAFE agreements to independent contractors in exchange for services with a SAFE Amounts totaling $0.1 million. These agreements have materially consistent terms with previously issued SAFE agreements.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

The Company is subject to legal proceedings which arise in the ordinary course of business. The Company has a general reserve of $125 thousand as of December 31, 2021.

In January 2021, the Company entered into an agreement to sublease space for its offices and for research and development. The term of the sublease is 14 months, beginning February 1, 2021, with one month of rent abatement. As of December 31, 2021, the Company had not yet made any payments on the sublease but has accrued the payments due within accounts payable and accrued liabilities.

In October 2021, the Company entered into a new lease agreement for land and building. The lease is due to commence in May 2022 for a term of 62 months. As part of the terms of the lease agreement the Company received a $0.3 million tenant improvement allowance. The Company paid $2.5 million as a security deposit on the lease of the property.

Future minimum lease and sublease payments under the noncancelable leases are as follows:

Years ending December 31,	
2022	$697,546
2023	1,108,782
2024	1,144,859
2025	1,179,210
2026	1,214,588
Thereafter	723,361
Total minimum lease payments	$6,068,346

NOTE 7 - INCOME TAXES

The Company no net operating losses (NOL) as it is capitalizing its startup costs and research and development (R&D) costs until it begins to generate revenue. As of December 31, 2021 and 2020, the Company provided a 100% valuation allowance against the net deferred tax assets. During the years ended December 31, 2021 and 2020, the valuation allowance increased by approximately $5.6 million and $0.8 million respectively.

A reconciliation of the U.S federal statutory income tax rate to the Company' s effective income tax rate is as follows:

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	December 31, 2021		December 31, 2020	
Expected tax expense (benefit)	21.0	%	21.0	%
State Income tax expense (benefit)	3.6		4.3	
SAFE liability change in FMV	(11.2	)	(5.7	)
Deferred true up	1.0		–	
Deferred compensation	(7.6	)	–	
Change in valuation allowance	(6.8	)	(19.6	)
Effective income tax rate	0	%	0	%

Approximate deferred tax assets resulting from timing differences between financial and tax bases were associated with the following items:

	December 31, 2021	December 31, 2020
Deferred tax assets		
Start up cost	$925,903	$230,896
Research and development credit	4,165,393	651,032
Stock compensation	1,427,133	–
Other	168	–
Total deferred tax assets	6,518,597	881,928
Valuation allowance	$(6,518,597)	$(881,928)
Net deferred tax assets	–	–

At December 31, 2021 and 2020, the Company had gross deferred tax assets of $6.5 million and $0.9 million respectively. Due to uncertainties surrounding the Company' s ability to generate future taxable income to realize these assets, a full valuation allowance has been established to offset the gross deferred tax asset.

NOTE 8 - STOCKHOLDERS' DEFICIT

Stock Split

During the year ended December 31, 2021, the Company filed its Certificate of Amendment to the Certificate of Incorporation with the state of Delaware to effect a stock split for its Common Stock at a ratio of 1-for-30 (the "Stock Split"). The stock split converted each share of Class A Common Stock outstanding into thirty (30) shares of Class A Common Stock and each share of Class B Common Stock outstanding into thirty (30) shares of Class B Common Stock, without any further action on the part of the holders. The number of issued and outstanding shares as of December 31, 2020 was increased from 1,706,625 to 51,198,750. The financial statements have been adjusted to reflect the stock split.

Class A Common Stock

We have authorized the issuance of 75,000,000 shares of our Class A common stock with $0.0001 par value. During the year ended December 31, 2021, the Company issued 3,105,881 shares of our Class A common stock at a weighted average price of approximately $1.75 per share for total proceeds of $5.4 million. During the year ended December

31, 2020, the Company issued 6,198,750 shares of our Class A common stock at price of approximately $0.52 per share for net proceeds of $3.2 million.

Class B Common Stock

We have authorized the issuance of 115,000,000 shares of our Class B common stock with $0.0001 par value. These shares do not have voting rights. During the year ended December 31, 2021, the Company issued 5,298,157 shares of our Class B common stock at a weighted average price of $5.31 per share for net proceeds of $28.0 million.

The Company has engaged Dalmore Group, LLC, member FINRA/SIPC ("Dalmore"), to perform administrative and technology related functions in connection with its 1-A offering, but not for underwriting or placement agent services. This agreement includes a 1% commission. As of December 31, 2021, the Company has also engaged Issuance, Inc. to perform marketing services in relation to its 1-A offering. Fees paid to and accrued as of December 31, 2021, for Issuance, Inc. have been offset against additional paid-in capital as of December 31, 2021.

NOTE 9 - STOCK-BASED COMPENSATION

Stock Option Plan

In June 2021, the Company adopted a Stock Option and Incentive Plan known as the Company' s "2021 Stock Option and Incentive Plan" (the "Plan"). The Plan allows the Company and any future subsidiaries to grant securities of the Company to employees, directors, and consultants. The objective of the issuance of options and awards is to promote the growth and profitability of the Company because the grantees will be provided with an additional incentive to achieve the Company' s objectives through participation in its success and growth and by encouraging their continued association with or service to the Company.

The Plan is administered by the Company' s Committee as defined in the Plan. The maximum aggregate number of common stock shares that may be granted under the Plan is 19,000,000. The Plan generally provides for the grant of incentive stock options, non-incentive stock options and restricted stock. The Committee has full discretion to set the vesting criteria. The exercise price of the stock option may not be less than 100% of the fair market value of the Company' s common stock on the date of grant. The Plan prohibits the repricing of outstanding stock options without prior shareholder approval. The term of stock options granted under the Plan may not exceed ten years. The Board may amend, alter, or discontinue the Plan, but shall obtain shareholder approval of any amendment as required by applicable law.

The number of shares of common stock that remain available for issuance under the Plan, was 8,937,056 as of December 31, 2021.

The Company' s outstanding stock options generally expire 10 years from the date of grant and are exercisable when the options vest. Stock options generally vest over four years, one-quarter of such shares vesting on each year anniversary of the vesting commencement date. A summary of stock option activity is as follows:

	Options	Weighted average exercise price	Aggregate Intrinsic value	Weighted average grant date fair value	Weighted average remaining contractual term
Outstanding at December 31, 2020	–	$ –	$–	$ –	
Granted	10,062,944	3.87	$	3.21	
Exercised	–				
Cancelled	–				
Outstanding and expected to vest at December 31, 2021	10,062,944	$ 3.87	$49,586,265	$ 3.21	9.5
Vested and exercisable at December 21, 2021	404,747	$ 3.80	$444,079	$ 2.70	9.6

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Subsequent to December 31, 2021, the Company issued 411,900 options to a board member and employees.

The total fair value of stock options granted during the years ended December 31, 2021, was approximately $32.3 million, which is recognized over the respective vesting periods. The total fair value of stock options vested during the year ended December 31, 2021 was approximately $1.1 million.

The Company estimates the fair value of the options utilizing the Black-Scholes option pricing model, which is dependent upon several variables, including expected option term, expected volatility of the Company' s share price over the expected term, expected risk-free interest.

	Year Ended December 31, 2021	
Weighted average risk-free interest rate	1.03	%
Weighted average expected volatility	93.7	%
Weighted average expected term (in years)	6.95	
Expected dividend yield	0.0	%
Exercise price	$ 3.87	

The allocation of stock-based compensation expense for the year ended December 31, 2021, was as follows:

	Year Ended December 31, 2021
General, selling, and administrative	$3,772,839
Research and development	1,327,051
Total stock-based compensation	$5,099,890

The number of stock options granted to officers for the year ended December 31, 2021, was as follows:

	Year Ended December 31, 2021
Chris Anthony (CEO/Director)	540,000
Steve Fambro (CFO/Director)	540,000
Jannies Burlingame (CFO)	1,886,819

As of December 31, 2021, the total unrecognized compensation cost related to outstanding time-based options was $27.2 million, which is expected to be recognized over a weighted-average period of 3.6 years.

NOTE 10 - RELATED PARTY TRANSACTIONS

For the year ended December 31, 2021, the Company paid $0.3 million in marketing services provided by a vendor controlled by the Chief Marketing Officer.

For the year ended December 31, 2021, the Company paid $0.7 million in engineering services provided by a vendor controlled by the Chief Technology Officer.

NOTE 11 - SUBSEQUENT EVENTS

Regulation A Investment

Subsequent to December 31, 2021, the Company has closed 1.3 million shares of Class B common stock for $10.2 million of investment through the Regulation A offering.

2022 Sales of Class A Common Stock

Subsequent to December 31, 2021, the Company has sold 1.2 million shares of Class A common stock for gross proceeds of $10.2 million.

Chery License Agreement

On January 13, 2022, the Company entered into a Technology License Agreement ("TLA") with Chery New Energy Automobile Co. Ltd., a limited liability company incorporated in the People' s Republic of China ("Chery"). This enables the company to obtain a non-transferable license to use Chery' s automobile parts technology, related technological know-how, and data.

In consideration, the Company will pay Chery license fee in two parts: 1) fixed fee of $2M in cash paid in four installments of $0.5M each upon execution of TLA and Parts Supply Agreement ("PSA") after delivery of first batch; and 2) fixed amount royalties based on wholesale unit of vehicles containing parts sourced from Chery.

Further, the Company agreed to issue shares of Class B Non-Voting Common Stock in an amount equivalent to $8.0 million, in four installments corresponding with the payments set out in the TLA. The Company has the right of first refusal to repurchase shares on the same terms.

Through April 2022, the Company paid $1.0M of the fixed license fee and issued 434,782 shares of Class B Common stock to Chery.

Vista Lease

In March 2022, the Company entered into a new lease agreement for land and building. The lease is due to commence on July 1, 2022 for a term of 84 months. As part of the terms of the lease agreement the Company received a $0.9 million tenant improvement allowance. The security deposit will be in the form of an unconditional and irrevocable letter of credit for $0.9 million. The lease has monthly payments ranging from $154 thousand to $189 thousand.

Acquisition of Andromeda Interfaces, Inc.

On April 1, 2022, the Company entered into a Plan of Merger (the "AI Merger Agreement") with Andromeda Interfaces, Inc., a California corporation ("AI"). Upon completion of the AI Acquisition, ("AI Acquisition") AI became a wholly-owned subsidiary of the Company. The merger enables an expedited integration of AI' s Central Infotainment Display (CID) solution and UI/UX functionality within the Company' s production vehicles, which will advance the Company' s strategic and revenue growth.

The Company completed the AI Acquisition on April 1, 2022 ("AI Closing Date") and acquired all issued and outstanding shares of AI. In accordance with the agreement: (A) AI stock was converted into rights to receive 251,087 Class A Common Stock for a total fair value of $2.2 million, (B) Merger Sub equity units issued and outstanding converted into 100 common shares, no par value of AI, (C) 100 common shares of AI were issued to the Company, (D) each unexercised AI option to purchase AI Stock (whether or not vested) were automatically cancelled, and (E) former AI stockholders were awarded stock options under the Company' s 2021 Stock Option and Incentive Plan.

The Merger is intended to be a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and the Merger Agreement is a "plan of reorganization" within the meaning of the

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NOTES TO THE FINANCIAL STATEMENTS

regulations under Section 368(a) of the Code and for the purpose of qualifying as a tax-free transaction for federal income tax purposes.

The acquisition will be accounted for as business combination. The purchase price allocation will be finalized as soon as practicable within the measurement period, but not later than one year following the acquisition date.

The Company has evaluated subsequent events that have occurred through May 2, 2022, which is the date that the financial statements were available to be issued and determined that there were no subsequent events or transactions that required recognition or disclosure in the financial statements.

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ITEM 8. EXHIBITS

The documents listed in the Exhibit Index of this report are incorporated by reference or are filed with this report, in each case as indicated below.

2.1 Amended and Restated Certificate of Incorporation (2)

2.2 Bylaws (2)

4.1 Form of Subscription Agreement (1)

6.1 2021 Stock Option and Incentive Plan

6.2 Andromeda Interfaces Inc. Agreement and Plan of Merger

6.3 Chery Supply Agreement

6.4 Option Agreement with Chris Anthony

6.5 Option Agreement with Jannies Burlingame

6.6 Option Agreement with Steve Fambro

8.1 Form of Escrow Agreement (2)

(1) Incorporated by reference to the Company' s Form 1-A filed with the SEC on March 9, 2021.

(2) Incorporated by referenced to the Company' s Form 1-A/A filed with the SEC on April 30, 2021

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SIGNATURES

Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

/s/ Chris Anthony
Co-Chief Executive Officer

Date: May 2, 2022

Pursuant to the requirements of Regulation A, this report has been signed below by the following persons on behalf of the issuer and in the capacities and on the dates indicated.

/s/ Chris Anthony
Co-Chief Executive Officer, Director

Date: May 2, 2022

/s/ Steve Fambro
Steve Fambro, Co-Chief Executive Officer, Director

Date: May 2, 2022

/s/ Jannies Burlingame
Jannies Burlingame, Principal Financial Officer,
Principal Accounting Officer

Date: May 2, 2022

Exhibit 6.1

APTERA MOTORS CORP.

2021 STOCK OPTION AND INCENTIVE PLAN

Adopted by the Board of Directors: June 15th, 2021

APTERA MOTORS CORP.

STOCK OPTION AND INCENTIVE PLAN

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APTERA MOTORS CORP.

2021 STOCK OPTION AND INCENTIVE PLAN

ARTICLE 1
DEFINITIONS

As used in this Plan, the following terms have the following meanings unless the context clearly indicates to the contrary:

"Award" means a grant of Restricted Stock.

"Board" means the Board of Directors of the Company.

"Cause" means (i) the commission of an act of fraud, embezzlement, theft or proven dishonesty, or any other illegal act or practice (whether or not resulting in criminal prosecution or conviction), including theft or destruction of property of the Company, a Parent, or a Subsidiary, or any other act or practice which the Committee shall, in good faith, deem to have resulted in the recipient' s becoming unbondable under the Company' s, a Parent' s or any Subsidiary' s fidelity bond; (ii) the willful engagement in misconduct which is deemed by the Committee, in good faith, to be materially injurious to the Company, a Parent or any Subsidiary, monetarily or otherwise, including, but not limited to, improperly disclosing trade secrets or other confidential or sensitive business information and data about the Company, a Parent or any Subsidiary and competing with the Company, a Parent or any Subsidiary, or soliciting employees, consultants or customers of the Company, a Parent or any Subsidiary in violation of law or any employment or other agreement to which the recipient is a party; (iii) the continued failure or habitual neglect by a person who is an Employee to perform his or her duties with the Company, a Parent or any Subsidiary; or (iv) other violation of rules or policies of the Company, a Parent or any Subsidiary, or conduct evidencing willful disregard of the interests of the Company, a Parent or any Subsidiary. Notwithstanding the foregoing, if the recipient has entered into an employment agreement that is binding as of the date of employment termination, and if such employment agreement defines "Cause," then the definition of "Cause" in such agreement shall apply to such recipient under this Plan. "Cause" shall be determined by the Committee based upon information presented by the Company and the Employee and shall be final and binding on all parties hereto.

"Code" means the United States Internal Revenue Code of 1986, as amended, including effective date and transition rules (whether or not codified). Any reference herein to a specific section of the Code shall be deemed to include a reference to any corresponding provision of future law.

"Committee" means either (i) a committee of at least two Directors appointed from time to time by the Board, having the duties and authority set forth herein in addition to any other authority granted by the Board; provided, however, that with respect to any Options or Awards granted to an individual who is also a Section 16 Insider, the Committee shall consist of either the entire Board of

Directors, or (ii) a committee of at least two Directors (who need not be members of the Committee with respect to Options or Awards granted to any other individuals) who are Non-Employee Directors, and, in the case of a committee described in *clause (ii)* hereinabove, all authority and discretion shall be exercised by such Non-Employee Directors, and references herein to the "Committee" means such Non-Employee Directors insofar as any actions or determinations of the Committee shall relate to or affect Options or Awards made to or held by any Section 16 Insider. In selecting the Committee, the Board shall also consider the benefits under Section 162(m) of the Code of having a Committee composed of "outside directors" (as that term is defined in the Code) for certain grants of Options to highly compensated executives. At any time that the Board shall not have appointed a committee as described above, any reference herein to the Committee means a reference to the Board.

"Company" means APTERA MOTORS CORP., a Delaware corporation.

"Corporate Transaction" means any of the following transactions to which the Company is a party: (a) a merger, consolidation, share exchange, combination or other transaction or series of transactions (other than a public offering by the Company for cash of the Company' s capital stock, debt or other securities, and other than ordinary public trading of such securities) in which the persons holding securities possessing more than 50% of the total combined voting power of the Company' s outstanding securities immediately after such transaction are different from the persons holding those securities immediately before such transaction; or (b) the sale, transfer or other disposition of all or substantially all of the Company' s assets.

"Director" means a member of the Board and any person who is an advisory or honorary director of the Company if such person is considered a director for the purposes of Section 16 of the Exchange Act, as determined by reference to such Section 16 and to the rules, regulations, judicial decisions, and interpretative or "no-action" positions with respect thereto of the SEC, as the same may be in effect or set forth from time to time.

"Disability" means that the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment; provided, however, for purposes of determining the term of an Incentive Stock Option pursuant to Section 6.10 hereof, the term Disability shall have the meaning ascribed to it under Section 22(e)(3) of the Code. The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. Except in situations where the Committee is determining Disability for purposes of the term of an Incentive Stock Option pursuant to Section 6.10 hereof within the meaning of Section 22(e)(3) of the Code, the Committee may rely on any determination that a Grantee is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Subsidiary in which a Grantee participates.

"Effective Date" has the meaning set forth in Section 2.3 of the Plan.

"Employee" means an employee (as defined in Section 3401(c) of the Code and the regulations promulgated thereunder) of the Company or a Parent or Subsidiary.

"Exchange Act" means the Securities Exchange Act of 1934. Any reference herein to a specific section of the Exchange Act shall be deemed to include a reference to any corresponding provision of future law.

"Exercise Price" means the price at which an Optionee may purchase a share of Stock under a Stock Option Agreement.

"Fair Market Value" on any date means (i) the closing sales price of the Stock, regular way, on such date on the national securities exchange having the greatest volume of trading in the Stock during the thirty-day period preceding the day the value is to be determined or, if such exchange was not open for trading on such date, the next preceding date on which it was open; (ii) if the Stock is not traded on any national securities exchange, the average of the closing high bid and low asked prices of the Stock on the over-the-counter market on the day such value is to be determined, or in the absence of closing bids on such day, the closing bids on the next preceding day on which there were bids; or (iii) if the Stock also is not traded on any national securities exchange or on the over-the-counter market, the fair market value as determined in good faith by the Board or the Committee based on such relevant facts as may be available to the Board, which may include opinions of independent experts, the price at which recent sales have been made, the book value of the Stock, and the Company' s current and anticipated future earnings.

"Family Member" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in- law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the employee' s household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or the employee) control the management of assets, and any other entity in which these persons (or the employee) own more than fifty percent of the voting interests. With respect to an Option or Award to which Section 25102(o) is to apply, the definition of "Family Member" shall include any registered domestic partner.

"Grantee" means a person who is an Optionee or a person who has received an Award of Restricted Stock.

"Incentive Stock Option" means an option to purchase any stock of the Company, which complies with and is subject to the terms, limitations and conditions of Section 422 of the Code and any regulations promulgated with respect thereto.

"IPO" means the first sale of the Company' s Stock to the general public pursuant to a registration statement under the Securities Act of 1933, as amended.

"Non-Employee Director" shall have the meaning set forth in Rule 16b-3 under the Exchange Act, as the same may be in effect from time to time, or in any successor rule thereto, and shall be determined for all purposes under the Plan according to interpretative or "no-action" positions with respect thereto issued by the SEC.

"Non-Incentive Stock Option" shall mean any Option that is not an Incentive Stock Option.

"Officer" means a person who constitutes an officer of the Company for the purposes of Section 16 of the Exchange Act, as determined by reference to such Section 16 and to the rules, regulations, judicial decisions, and interpretative or "no-action" positions with respect to such rule of the SEC, as the same may be in effect or set forth from time to time.

"Option" means an option, whether or not an Incentive Stock Option, to purchase Stock granted pursuant to the provisions of Article 6 of this Plan.

"Optionee" means a person to whom an Option has been granted under this Plan.

"Parent" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, at the time of the grant (or modification) of the Option, each of the corporations other than the Company owns stock possessing 50 percent or more of the total combined voting power of the classes of stock in one of the other corporations in such chain.

"Plan" means the Company' s 2021 Stock Option and Incentive Plan, the terms of which are set forth herein.

"Purchasable" refers to Stock which may be purchased by an Optionee under the terms of this Plan on or after a certain date specified in the applicable Stock Option Agreement.

"Reload Option" has the meaning set forth in Section 6.8 of the Plan.

"Restricted Stock" means Stock issued, subject to restrictions, to a Grantee pursuant to Article 7 of this Plan.

"Restricted Stock Agreement" means an agreement setting forth the terms of an Award by the Company, a sample form of which is attached hereto as Exhibit C.

"Rule 701" means Rule 701 *et seq* promulgated by the SEC under the Securities Act of 1933, as amended.

"SEC" means the United States Securities and Exchange Commission.

"Section 16 Insider" means any person who is subject to the provisions of Section 16 of the Exchange Act, as provided in Rule 16a-2 promulgated pursuant to the Exchange Act.

"Section 25102(o)" means Section 25102(o) of the California Corporations Code.

"Stock" means the common stock of the Company or, in the event that the outstanding shares of Stock are hereafter changed into or exchanged for shares of a different stock or securities of the Company or some other entity, such other stock or securities.

"Stock Option Agreement" means an agreement between the Company and an Optionee under which the Optionee may purchase Stock under this Plan, a sample form of which is attached hereto as Exhibit A (Employees) and Exhibit B (Non-Employee Directors, Consultants and Advisors) (which forms may be varied by the Committee in granting an Option).

"Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of the grant (or modification) of the Option, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50 percent or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"Transfer" (whether or not capitalized) means and includes any sale, assignment, encumbrance, hypothecation, pledge, conveyance in trust, gift, transfer by bequest, devise or descent, or other transfer or disposition of any kind, including but not limited to transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, except for: (i) a transfer of vested Stock acquired pursuant to an Option or Award by gift during a Grantee' s lifetime or on a Grantee' s death by will or intestacy to a Family Member of such Grantee; (ii) pursuant to a domestic relations order issued by a court of competent jurisdiction, provided that, in each case of (i) or (ii) above, each transferee or other recipient executes a written agreement to be bound by the terms and conditions of the Plan, including without limitation, Section 10 hereof; or (iii) any transfer of Stock acquired pursuant to an Option or Award by a Grantee made (A) pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations, or otherwise by operation of law, (B) pursuant to the winding up and dissolution of the Company, or (C) at, and pursuant to, an IPO, but subject to the Market Stand-Off Agreement described in Section 10.2.

ARTICLE 2
THE PLAN

2.1 Name. This Plan shall be known as the Company' s "2021 Stock Option and Incentive Plan."

2.2 Purpose. The purpose of the Plan is to advance the interests of the Company, its Subsidiaries and its shareholders by affording certain Employees and Directors of the Company and its Subsidiaries, as well as key consultants and advisors to the Company or any Subsidiary, an opportunity to acquire or increase their proprietary interests in the Company. The objective of the issuance of the Options and Awards is to promote the growth and profitability of the Company and its Subsidiaries because the Grantees will be provided with an additional incentive to achieve the Company' s objectives through participation in its success and growth and by encouraging their continued association with or service to the Company. Although this Plan is intended to be a written compensatory benefit plan within the meaning of Rule 701, grants may be made pursuant to this Plan that do not qualify for exemption under Rule 701 or Section 25102(o). Any requirement of this Plan that is required in law only because of Section 25102(o) need not apply with respect to a particular Option or Award to which Section 25102(o) will not apply.

2.3 Adoption and Shareholder Approval. The Plan shall become effective on the date it is adopted by the Board (the "Effective Date"). The Plan shall be approved by the shareholders of the Company (excluding shares of Stock issued pursuant to the Plan), consistent with applicable laws, within twelve (12) months before or after the Effective Date. Upon the Effective Date, the Board may grant Options and Awards pursuant to the Plan; provided, however, that: (a) no Option may be exercised prior to initial shareholder approval of this Plan; (b) no Option granted pursuant to an increase in the number of shares of Stock approved by the Board shall be exercised prior to the time such increase has been approved by the shareholders of the Company; (c) in the event that initial shareholder approval is not obtained within the time period provided herein, all Options and Awards to which the exemption from California' s securities qualification requirements provided by Section 25102(o) can apply shall be cancelled, any shares of Stock issued pursuant to any such Option or Award shall be cancelled and any purchase of such shares of Stock issued hereunder shall be rescinded; and (d) Options and Awards to which the exemption from California' s securities qualification requirements provided by Section 25102(o) can apply that are granted pursuant to an increase in the number of shares of Stock approved by the Board, which increase is not approved by the shareholders of the Company within the time then required under Section 25102(o), shall be cancelled, any shares of Stock issued pursuant to any such Options or Awards shall be cancelled, and any purchase of shares of stock subject to any such Option or Award shall be rescinded.

2.4 Term of Plan. Unless earlier terminated pursuant to Article 9, the Plan shall terminate ten (10) years from the Effective date or, if earlier, ten (10) years from the date of shareholder approval.

ARTICLE 3
PARTICIPANTS

The class of persons eligible to participate in the Plan shall consist of all persons whose participation in the Plan the Committee determines to be in the best interests of the Company, which shall include, but not be limited to, Employees or Directors of the Company or any Subsidiary, as well as key consultants and advisors to the Company or any Subsidiary; provided, however, that such consultants and advisors render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction when Rule 701 is to apply to the Options and/or Awards granted for such services. A copy of the Plan shall be delivered to each person who participates in the Plan.

ARTICLE 4
ADMINISTRATION

4.1 Duties and Powers of the Committee. The Plan shall be administered by the Committee. The Committee shall select one of its members as its Chairman and shall hold its meetings at such times and places as it may determine. The Committee shall keep minutes of its meetings and shall make such rules and regulations for the conduct of its business as it may deem necessary. The Committee shall have the power to act by unanimous written consent in lieu of a meeting, and to meet telephonically. In administering the Plan, the Committee' s actions and

determinations shall be binding on all interested parties. The Committee shall have the power to grant Options or Awards in accordance with the provisions of the Plan and may grant Options and Awards singly, in combination, or in tandem; provided, however, that the Committee shall not grant Incentive Stock Options in tandem with Options which do not qualify as Incentive Stock Options in such a manner that the exercise of one affects the right to exercise the other. Subject to the provisions of the Plan, the Committee shall have the discretion and authority to determine those individuals to whom Options or Awards will be granted and whether such Options shall be accompanied by the right to receive Reload Options, the number of shares of Stock subject to each Option or Award, such other matters as are specified herein, and any other terms and conditions of a Stock Option Agreement or Restricted Stock Agreement. To the extent not inconsistent with the provisions of the Plan, the Committee may give a Grantee an election to surrender an Option or Award in exchange for the grant of a new Option or Award, and shall have the authority to amend or modify an outstanding Stock Option Agreement or Restricted Stock Agreement, or to waive any provision thereof, provided that the Grantee consents to such action.

4.2 Interpretation; Rules. Subject to the express provisions of the Plan, the Committee also shall have complete authority to interpret the Plan, to prescribe, amend, and rescind rules and regulations relating to it, to determine the details and provisions of each Stock Option Agreement, and to make all other determinations necessary or advisable for the administration of the Plan, including, without limitation, the amending or altering of the Plan and any Options or Awards granted under the Plan as may be required to comply with or to conform to any federal, state, or local laws or regulations.

4.3 No Liability. Neither any member of the Board nor any member of the Committee shall be liable to any person for any act or determination made in good faith with respect to the Plan or any Option or Award granted hereunder.

4.4 Majority Rule. A majority of the members of the Committee shall constitute a quorum, and any action taken by a majority at a meeting at which a quorum is present, or any action taken without a meeting evidenced by a writing executed by all the members of the Committee, shall constitute the action of the Committee.

4.5 Company Assistance. The Company shall supply full and timely information to the Committee on all matters relating to eligible persons, their employment, death, retirement, disability, or other termination of employment or service, and such other pertinent facts as the Committee may require. The Company shall furnish the Committee with such clerical and other assistance as is necessary in the performance of its duties.

ARTICLE 5
SHARES OF STOCK SUBJECT TO PLAN

5.1 Limitations.

(a) Subject to any antidilution adjustment pursuant to the provisions of Section 5.2 of this Plan, the maximum number of shares of Stock that may be issued hereunder shall be [ ] shares of Stock. Any or all shares of Stock subject to the Plan may be issued in any combination of

Incentive Stock Options, Non-Incentive Stock Options or Restricted Stock, and the amount of Stock subject to the Plan may be increased from time to time in accordance with Article 10, provided that the total number of shares of Stock issuable pursuant to Incentive Stock Options may not be increased (other than pursuant to anti-dilution adjustments) without shareholder approval. Shares subject to an Option or issued as an Award may be either authorized and unissued shares or shares issued and later acquired by the Company. The shares covered by any unexercised portion of an Option that has terminated for any reason (except as set forth in the following paragraph), or any forfeited portion of an Award, may again be optioned or awarded under the Plan, and such shares shall not be considered as having been optioned or issued in computing the number of shares of Stock remaining available for option or award hereunder.

(b) The aggregate sales price (as that term is defined in Rule 701) or amount of securities sold in reliance on Rule 701 during any consecutive 12-month period shall not exceed the greatest of the following: (i) $1,000,000; (ii) 15% of the total assets of the Company (or the Parent if the Company is a wholly-owned Subsidiary and the securities represent obligations that the Parent fully and unconditionally guarantees), measured at the Company' s most recent balance sheet date (if no older than its last fiscal year end); or (iii) 15% of the outstanding amount of the class of securities being offered and sold in reliance of Rule 701, measured at the Company' s most recent balance sheet date (if no older than its last fiscal year end). If the aggregate sales price or amount of securities sold during any consecutive 12-month period exceeds $5 million, the Company shall deliver the disclosure required under Rule 701 to investors a reasonable time before the date of sale. For purposes of this subsection 5.1(b), sales of securities underlying Options shall be counted as sales on the date of the Option grant, and all sales prices and amounts shall be calculated in accordance with Rule 701.

5.2 Adjustments Upon Occurrence of Certain Events.

(a) Notwithstanding any other provisions of this Plan, in the event of a Corporate Transaction, the Committee, in its discretion, may, but, unless otherwise provided in an individual Stock Option Agreement or Restricted Stock Agreement, need not:

(i) declare that (1) all Options outstanding at the time of such Corporate Transaction but not otherwise fully exercisable, shall become exercisable immediately, notwithstanding the provisions of the respective Stock Option Agreements regarding exercisability, so that such Options shall become exercisable for all shares at the time subject to such Options; (2) all such Options shall terminate on a stated date or within a stated number of days after the Committee gives written notice of the immediate right to exercise all such Options and of the decision to terminate all Options not exercised by such date or within such period; and/or (3) all then-remaining restrictions pertaining to Awards under the Plan shall immediately lapse; and/or

(ii) issue or assume Awards or Options, or arrange that all Options or Awards granted under the Plan shall be assumed by the surviving corporation (or an affiliate) in the Corporate Transaction or substituted on an equitable basis with

options or restricted stock issued by such surviving corporation, and provide notice thereof to all Grantees of such adjustment.

(b) If, in a transaction that is not a Corporate Transaction, (x) the outstanding shares of Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of a reorganization, recapitalization, reclassification, exchange of shares, or stock split or stock dividend, (y) there is any material spin-off or spin-out, or other material distribution of assets, or (z) there is any assumption and conversion to the Plan by the Company of an acquired company' s outstanding option grants, then:

(i) the aggregate number and kind of shares of Stock for which Options or Awards may be granted hereunder shall be adjusted appropriately by the Committee; and

(ii) the rights of Optionees (concerning the number of shares subject to Options and the Exercise Price) under outstanding Options and the rights of the holders of Awards (concerning the terms and conditions of the lapse of any then-remaining restrictions), shall be adjusted appropriately by the Committee.

(c) Liquidation or Dissolution. In the event of a liquidation or dissolution of the Company in a transaction not involving a Corporate Transaction, then, notwithstanding other provisions hereof: the adoption of a plan of dissolution or liquidation of the Company shall cause all then-remaining restrictions pertaining to Awards under the Plan to lapse, and shall cause every Option outstanding under the Plan to terminate to the extent not exercised prior to the adoption of the plan of dissolution or liquidation by the shareholders; and the Committee may declare all Options granted under the Plan to be exercisable at a time prior to the liquidation or dissolution to be determined by the Committee, notwithstanding the provisions of the respective Stock Option Agreements regarding exercisability.

(d) Committee Has Discretion. The adjustments and other actions described in paragraphs (a) through (c) of this Section 5.2, if any, and the manner of their application, shall be determined solely by the Committee, and any such adjustment may provide for the elimination of fractional share interests; provided, however, that any adjustment made by the Committee shall be made in a manner that will not cause an Incentive Stock Option to be other than an Incentive Stock Option under applicable statutory and regulatory provisions; and provided further, that if an adjustment is required because of a stock split or stock dividend as a result of which the number of outstanding shares of Stock is increased, then without any further action by the Committee (A) the aggregate number of shares of Stock for which Options or Awards may be granted hereunder, and the aggregate number of shares of Stock Purchasable under each Stock Option Agreement, shall be proportionately increased, and (B) the Exercise Price under each Stock Option Agreement shall be proportionately decreased. The adjustments required under this Article 5 shall apply to any successors of the Company and adjustments under 5.2(b) shall be made regardless of the number or type of successive events requiring such adjustments.

ARTICLE 6
OPTIONS

6.1 Types of Options Granted. The Committee may, under this Plan, grant either Incentive Stock Options or Options which do not qualify as Incentive Stock Options. Within the limitations provided in this Plan, both types of Options may be granted to the same person at the same time, or at different times, under different terms and conditions, as long as the terms and conditions of each Option are consistent with the provisions of the Plan. Without limitation of the foregoing, Options may be granted subject to conditions based on the financial performance of the Company or any other factor the Committee deems relevant. An attempted exercise of an Incentive Stock Option outside of those time parameters will be permitted, but the Incentive Stock Option thereupon will become a Non-Incentive Stock Option subject to all the terms of the Plan governing Non-Incentive Stock Options.

6.2 Option Grant and Agreement. Each Option granted hereunder shall be evidenced by minutes of a meeting or the written consent of the Committee and by a written Stock Option Agreement executed by the Company and the Optionee. The terms of the Option, including the Option' s duration, time or times of exercise, Exercise Price, whether the Option is intended to be an Incentive Stock Option, and whether the Option is to be accompanied by the right to receive a Reload Option, shall be stated in the Stock Option Agreement. Unless a Stock Option Agreement specifically provides that that the Option granted thereunder is intended to be an Incentive Stock Option, such Option shall not be an Incentive Stock Option. Unless a Stock Option Agreement specifically provides that the Option granted thereunder is accompanied by the right to receive a Reload Option, such Option shall not have a Reload Option. No Option may be granted more than ten years after the earlier to occur of the effective date of the Plan or the date the Plan is approved by the Company' s shareholders.

Separate Stock Option Agreements may be used for Options intended to be Incentive Stock Options and those not so intended, but any failure to use such separate agreements shall not invalidate, or otherwise adversely affect the Optionee' s interest in, the Options evidenced thereby.

6.3 Optionee Limitations. The Committee shall not grant an Incentive Stock Option to any person who, at the time the Incentive Stock Option is granted:

(a) is not an Employee; or

(b) owns or is considered to own stock possessing at least 10% of the total combined voting power of all classes of stock of the Company or any of its Parent or Subsidiary corporations; provided, however, that this limitation shall not apply if at the time an Incentive Stock Option is granted the Exercise Price is at least 110% of the Fair Market Value of the Stock subject to such Option and such Option by its terms would not be exercisable after five years from the date on which the Option is granted. For the purpose of this subsection (b), a person shall be considered to own: (i) the stock owned, directly or indirectly, by or for his or her brothers and sisters (whether by whole or half blood), spouse, ancestors and lineal descendants; (ii) the stock owned, directly or indirectly, by or for a corporation, partnership, estate, or trust in proportion to such person' s stock interest, partnership interest or beneficial interest therein; and (iii) the stock which such person may

purchase under any outstanding options of the Company or of any Parent or Subsidiary of the Company.

6.4 $100,000 and Section 162(m) Limitations. Except as provided below, the Committee shall not grant an Incentive Stock Option to, or modify the exercise provisions of outstanding Incentive Stock Options held by, any person who, at the time the Incentive Stock Option is granted (or modified), would thereby receive or hold any Incentive Stock Options of the Company and any Parent or Subsidiary of the Company, such that the aggregate Fair Market Value (determined as of the respective dates of grant or modification of each option) of the Stock with respect to which such Incentive Stock Options (including Reload Options) are exercisable for the first time during any calendar year is in excess of $100,000 (or such other limit as may be prescribed by the Code from time to time); provided that the foregoing restriction on modification of outstanding Incentive Stock Options shall not preclude the Committee from modifying an outstanding Incentive Stock Option if, as a result of such modification and with the consent of the Optionee, such Option no longer constitutes an Incentive Stock Option; and provided that, if the $100,000 limitation (or such other limitation prescribed by the Code) described in this Section 6.4 is exceeded, the Incentive Stock Option, the granting or modification of which resulted in the exceeding of such limit, shall be treated as an Incentive Stock Option up to the limitation and the excess shall be treated as an Option not qualifying as an Incentive Stock Option.

6.5 Exercise Price. The Exercise Price of the Stock subject to each Option shall be determined by the Committee; provided, however, that the Exercise Price of an Option shall not be less than the Fair Market Value of the Stock as of the date the Option is granted (or in the case of an Option that is subsequently modified, on the date of such modification), provided, further, that if (a) the Option is not intended to be an Incentive Stock Option, and (b) the Optionee is an independent contractor as determined under Section 409A of the Code or regulations pertaining thereto, the Committee may establish any Exercise Price without respect to Fair Market Value. In the event the fair market value of the Stock which is the subject an Option or an Award should be determined to be other than the Fair Market Value as determined by the Committee, the Company shall have no liability for adverse tax consequences that that Grantee may incur as a result of such determination.

6.6 Exercise Period. The period for the exercise of each Option granted hereunder shall be determined by the Committee, provided that (i) no Option granted under the Plan shall be exercisable after the expiration of ten years from the date the Option is granted, and (ii) no Option granted under the Plan shall be exercisable prior to shareholder approval of the Plan.

6.7 Option Exercise.

(a) Unless otherwise provided in the Stock Option Agreement or Section 6.6 of this Plan, an Option may be exercised at any time or from time to time during the term of the Option as to any or all full shares which have become Purchasable under the provisions of the Option, but not at any time as to fewer than 100 shares unless such minimum is waived by the Committee or the remaining shares that have become so Purchasable are fewer than 100 shares. The Committee shall have the authority to prescribe in any Stock Option Agreement that the Option may be exercised only in accordance with a vesting schedule during the term of the Option.

(b) An Option shall be exercised by (i) delivery to the Company at its principal office of a written notice of exercise with respect to a specified number of shares of Stock and (ii) payment to the Company at that office of the full amount of the Exercise Price for such number of shares in accordance with Section 6.7(c). If requested by an Optionee, an Option (other than an Incentive Stock Option) may be exercised with the involvement of a stockbroker in accordance with the federal margin rules set forth in Regulation T of the Federal Reserve Board (in which case the certificates representing the underlying shares will be delivered by the Company directly to the stockbroker).

(c) The Exercise Price is to be paid in full in cash upon the exercise of the Option, and the Company shall not be required to deliver certificates for the shares purchased until such payment has been made; provided, however, that in lieu of cash, in the Company' s sole discretion, all or any portion of the Exercise Price may be paid by the Optionee by tendering to the Company shares of Stock duly endorsed for transfer and owned by the Optionee, or by authorization to the Company to withhold shares of Stock otherwise issuable upon exercise of the Option, in each case to be credited against the Exercise Price at the Fair Market Value of such shares on the date of exercise; provided, however, that no fractional shares may be so transferred, and the Company shall not be obligated to make any cash payments in consideration of any excess of the aggregate Fair Market Value of shares transferred over the aggregate Exercise Price.

(d) In addition to and at the time of payment of the Exercise Price, the Optionee shall pay to the Company in cash the full amount of any federal, state, and local income, employment, or other withholding taxes applicable to the taxable income of such Optionee resulting from such exercise; provided, however, that in the discretion of the Committee any Stock Option Agreement may provide that all or any portion of such tax obligations may, upon the irrevocable election of the Optionee, be paid by tendering to the Company whole shares of Stock duly endorsed for transfer and owned by the Optionee, or by authorization to the Company to withhold shares of Stock otherwise issuable upon exercise of the Option, in either case in that number of shares having a Fair Market Value on the date of exercise equal to the amount of such taxes thereby being paid, and subject to such restrictions as to the approval and timing of any such election as the Committee may from time to time determine to be necessary or appropriate to satisfy the conditions of the exemption set forth in Rule 16b-3 under the Exchange Act, if such rule is applicable.

(e) The holder of an Option shall not have any of the rights of a shareholder with respect to the shares of Stock subject to the Option until such shares have been issued and delivered to the Optionee upon the exercise of the Option.

6.8 Reload Options.

(a) The Committee may specify in a Stock Option Agreement (or may otherwise determine in its sole discretion) that a Reload Option shall be granted, without further action of the Committee, (i) to an Optionee who exercises an Option (including a Reload Option) by surrendering shares of Stock in payment of amounts specified in Sections 6.7(c) or 6.7(d) of this Plan, (ii) for the same number of shares as are surrendered to pay such amounts, (iii) as of the date of such payment and at an Exercise Price equal to the Fair Market Value of the Stock on such date (except Reload

Options granted with or upon exercise of Incentive Stock Options granted to a person described in Section 6.3(b) hereof, in which case the Exercise Price shall be equal to 110% of the Fair Market Value of the Stock on such date), and (iv) otherwise on the same terms and conditions as the Option whose exercise has occasioned such payment, except as provided below and subject to such other contingencies, conditions, or other terms as the Committee shall specify at the time such exercised Option is granted; provided, however, that the Committee may require that the shares surrendered in payment as provided above must have been held by the Optionee for at least six months prior to such surrender.

(b) Unless provided otherwise in the Stock Option Agreement, a Reload Option may not be exercised by an Optionee (i) prior to the end of a one-year period from the date that the Reload Option is granted, and (ii) unless the Optionee retains beneficial ownership of the shares of Stock issued to such Optionee upon exercise of the Option referred to above in Section 6.8(a)(i) for a period of one year from the date of such exercise.

6.9 Nontransferability of Option. Other than as provided below, no Option shall be transferable by an Optionee other than by will or the laws of descent and distribution or, in the case of Non-Incentive Stock Options, pursuant to a domestic relations order issued by a court of competent jurisdiction, and, during the lifetime of an Optionee, Options shall be exercisable only by such Optionee (or by such Optionee' s guardian or legal representative, should one be appointed). However, in connection with an Optionee' s estate plan, a Non-Incentive Stock Option, to the extent vested, may be assigned in whole or in part during such Optionee' s lifetime to one or more Family Members of such Optionee. The assigned portion shall be exercisable only by the person or persons who acquire a proprietary interest in the vested Option pursuant to such assignment. The terms applicable to the assigned portion shall be the same as those in effect for this Option immediately prior to such assignment and shall be set forth in such documents issued to the assignee as the Committee may deem appropriate. No Optionee shall Transfer any Stock received pursuant to the exercise of an Option issued pursuant to this Plan unless (i) Optionee has first offered such Stock to the Company in accordance with Section 10.1 and such assignee agrees in writing to be bound by the terms and conditions of this Plan, including but not limited to Article 10 and (ii) such Transfer is made in compliance with applicable federal and state securities laws, to the Company' s satisfaction.

6.10 Termination of Employment or Service. The Committee shall have the power to specify, with respect to the Options granted to a particular Optionee, the effect upon such Optionee' s right to exercise an Option of termination of such Optionee' s employment or service under various circumstances, which effect may include immediate or deferred termination of such Optionee' s rights under an Option, or acceleration of the date at which an Option may be exercised in full; provided, that in no event may an Incentive Stock Option be exercised after the expiration of ten (10) years from the date of its grant. Further, in no event may an Incentive Stock Option be exercised more than three (3) months following termination of such Optionee' s employment, unless termination is due to Optionee' s death or Disability, in which case an Incentive Stock Option may be exercised within one year following such termination. With respect to an Option to which Section 25102(o) is to apply, unless an Optionee' s employment or service is terminated for Cause or pursuant to the terms of the Plan, the Option grant or a contract for employment, the right to exercise the Option in the event of termination of employment, to the extent the Optionee is entitled

to exercise on the date employment terminates, shall continue until the earlier of the Option expiration date or (i) at least six (6) months from the date of termination if termination was caused by death or Disability, or (ii) at least thirty (30) days from the date of termination if termination was caused by other than death or Disability.

6.11 Employment Rights. Nothing in the Plan or in any Stock Option Agreement shall confer on any person any right to continue in the employ of the Company or any of its Subsidiaries, or shall interfere in any way with the right of the Company or any of its Subsidiaries to terminate such person' s employment at any time.

6.12 Certain Successor Options. To the extent not inconsistent with the terms, limitations and conditions of Code section 422 and any regulations promulgated with respect thereto, an Option issued in respect of an option held by an employee to acquire stock of any entity acquired, by merger or otherwise, by the Company (or any Subsidiary of the Company) may contain terms that differ from those stated in this Article 6, but solely to the extent necessary to preserve for any such employee the rights and benefits contained in such predecessor option, or to satisfy the requirements of Code section 424(a).

ARTICLE 7
RESTRICTED STOCK

7.1 Awards of Restricted Stock. The Committee may grant Awards of Restricted Stock, which shall be governed by a Restricted Stock Agreement between the Company and the Grantee (a form of which is attached hereto as Exhibit C). Each Restricted Stock Agreement shall contain such restrictions, terms, and conditions as the Committee may, in its discretion, determine; provided, however, that with respect to Awards of Restricted Stock to which Section 25102(o) is to apply, such restrictions, terms, and conditions shall not be inconsistent with Section 25102(o). Each Restricted Stock Agreement may require that an appropriate legend be placed on the certificates evidencing the subject Restricted Stock. Shares of Restricted Stock granted pursuant to an Award hereunder shall be issued in the name of the Grantee as soon as reasonably practicable after the Award is granted, provided that the Grantee has executed the Restricted Stock Agreement governing the Award, the appropriate blank stock powers and, in the discretion of the Committee, an escrow agreement and any other documents which the Committee may require as a condition to the issuance of such shares. If a Grantee shall fail to execute the foregoing documents within any time period prescribed by the Committee, the Award shall be void. At the discretion of the Committee, shares issued in connection with an Award shall be deposited together with the stock powers with an escrow agent designated by the Committee. Unless the Committee determines otherwise and as set forth in the Restricted Stock Agreement, upon delivery of the shares to the escrow agent, the Grantee shall have all of the rights of a shareholder with respect to such shares, including the right to vote the shares and to receive all dividends or other distributions paid or made with respect to the shares.

7.2 Non-Transferability. Until any restrictions upon vested Restricted Stock awarded to a Grantee shall have lapsed in a manner set forth in Section 7.3, such shares of vested Restricted Stock shall not be transferable other than by will or the laws of descent and distribution in accordance with this Agreement, or pursuant to domestic relations order issued by a court of

competent jurisdiction, nor shall they be delivered to the Grantee, and thereafter Grantee shall not Transfer any shares of Stock unless (i) Grantee has first offered such Stock to the Company in accordance with Section 10.1 and such transferee agrees in writing to be bound by the terms and conditions of this Plan, including but not limited to Article 10 and (ii) such Transfer is made in compliance with applicable federal and state securities laws to the Company' s satisfaction.

7.3 Lapse of Restrictions. Restrictions upon Restricted Stock awarded hereunder shall lapse at such time or times (but, with respect to any award to a Grantee who is also a Section 16 Insider, not less than six months after the date of the Award) and on such terms and conditions as the Committee may, in its discretion, determine at the time the Award is granted or thereafter.

7.4 Termination of Employment or Service. The Committee shall have the power to specify, with respect to each Award granted to any particular Grantee, the effect upon such Grantee' s rights with respect to such Restricted Stock of the termination of such Grantee' s employment or service under various circumstances, which effect may include immediate or deferred forfeiture of such Restricted Stock or acceleration of the date at which any then-remaining restrictions shall lapse; provided, however, unless expressly stated otherwise in a Restricted Stock Agreement, any unvested Restricted Stock shall cease to vest upon the death or Disability of the Grantee.

7.5 Treatment of Dividends. At the time an Award of Restricted Stock is made, the Committee may, in its discretion, determine that the payment to the Grantee of any dividends, or a specified portion thereof, declared or paid on such Restricted Stock shall be (i) deferred until the lapsing of the relevant restrictions, and (ii) held by the Company for the account of the Grantee until such lapsing. In the event of such deferral, there shall be credited at the end of each year (or portion thereof) interest on the amount of the account at the beginning of the year at a rate per annum determined by the Committee. Payment of deferred dividends, together with interest thereon, shall be made upon the lapsing of restrictions imposed on such Restricted Stock, and any dividends deferred (together with any interest thereon) in respect of Restricted Stock shall be forfeited upon any forfeiture of such Restricted Stock.

7.6 Delivery of Shares. Except as provided otherwise in Article 8 below, within a reasonable period of time following the lapse of the restrictions on shares of Restricted Stock, the Committee shall cause a stock certificate to be delivered to the Grantee with respect to such shares and such shares shall be free of all restrictions hereunder.

ARTICLE 8
STOCK CERTIFICATES

The Company shall not be required to issue or deliver any certificate for shares of Stock purchased upon the attempted exercise of any Option granted hereunder or any portion thereof, or deliver any certificate for shares of Restricted Stock granted hereunder, and no attempted exercise of an Option shall be effective prior to fulfillment of all of the following conditions:

(a) The admission of such shares to listing on all stock exchanges on which the Stock is then listed;

(b) The completion of any registration or other qualification of such shares which the Committee shall deem necessary or advisable under any federal or state law or under the rulings or regulations of the SEC or any other governmental regulatory body;

(c) The obtaining of any approval or other clearance from any federal or state governmental agency or body which the Committee shall determine to be necessary or advisable; and

(d) The lapse of such reasonable period of time following the exercise of the Option as the Board from time to time may establish for reasons of administrative convenience.

Stock certificates issued and delivered to Grantees shall bear such restrictive legends as the Company shall deem necessary or advisable pursuant to applicable federal and state securities laws including the following:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), ANY STATE SECURITIES LAWS OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTIONS. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL, AT THE EXPENSE OF THE TRANSFEROR OR TRANSFEREE, IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RIGHTS OF FIRST REFUSAL AS SET FORTH IN THE COMPANY' S 20 STOCK OPTION AND INCENTIVE PLAN ENTERED INTO BY THE COMPANY AND APPROVED BY THE STOCKHOLDERS OF THE COMPANY. A COPY OF SUCH AGREEMENT IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY. SUCH RIGHTS OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO UP TO 180 DAY MARKET STAND-OFF RESTRICTION IN CONNECTION WITH THE COMPANY' S INITIAL PUBLIC OFFERING AS SET FORTH IN A CERTAIN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER.

The inability of the Company to obtain approval from any regulatory body having authority deemed by the Company to be necessary to the lawful issuance and sale of any Stock pursuant to

Options shall relieve the Company of any liability with respect to the non-issuance or sale of the Stock as to which such approval shall not have been obtained. The Company shall, however, use reasonable efforts to obtain all such approvals.

ARTICLE 9
TERMINATION AND AMENDMENT

9.1 Termination and Amendment. The Board may at any time terminate or amend the Plan; provided, however, that the Board (unless its actions are approved or ratified by the shareholders of the Company within twelve months of the date that the Board amends the Plan) may not amend the Plan:

(a) To increase the total number of shares of Stock issuable pursuant to Incentive Stock Options under the Plan, except as contemplated in Section 5.2;

(b) To change the class of employees eligible to receive Incentive Stock Options that may participate in the Plan; or

(c) In any manner that requires shareholder approval pursuant to Section 25102(o).

9.2 Effect on Grantee' s Rights. Except as otherwise permitted by this Plan, no termination, amendment, or modification of the Plan shall affect adversely a Grantee' s rights under a prior existing Stock Option Agreement or Restricted Stock Agreement without the consent of the Grantee or his legal representative.

ARTICLE 10
RESTRICTIONS ON STOCK GRANTED UNDER THIS PLAN

10.1 Right of First Refusal.

(a) Selling Optionee' s Notice. Before any Grantee may effect any Transfer of any Stock acquired pursuant to a Grant or Option, such Grantee (the "Selling Grantee") must give the Company a written notice signed by the Selling Grantee (the "Selling Grantee' s Notice") stating: (a) the Selling Grantee' s bona fide intention to Transfer such Stock; (b) the number of shares of Stock proposed to be transferred (the "Offered Stock") to each proposed purchaser or other transferee ("Proposed Transferee"); (c) the name, address and relationship, if any, to the Selling Grantee of each Proposed Transferee; (d) the bona fide cash price or, in reasonable detail, other consideration, per share for which the Selling Grantee proposes to transfer such Offered Stock to each Proposed Transferee (the "Offered Price"); (e) the date and time of closing the proposed transfer of Stock (the "Closing"); and (f) other relevant terms of the proposed sale. Upon the request of the Company, the Selling Grantee will promptly furnish to the Company such other information as may be reasonably requested to establish that the offer and Proposed Transferee(s) are bona fide.

(b) Company' s Right of First Refusal. The Company and its assignees (or its or their designees) shall have a right of first refusal to purchase the Offered Stock (the "Company' s Right of First Refusal"), if the Company gives written notice of the exercise of such right to the Selling Grantee within thirty (30) days (the "Company' s Refusal Period") after the date of the Selling Grantee' s Notice to the Company. If the Company does not intend to exercise the Company' s Right of First Refusal in full or if the Company is not lawfully able to repurchase the Offered Stock, the Company will send written notice thereof (the "Company' s Expiration Notice") to the Selling Grantee before the expiration of the Company' s Refusal Period.

(c) Purchase Price. The purchase price for the Offered Stock to be purchased by the Company pursuant to the Company' s Right of First Refusal under this Agreement will be the Offered Price, and will be payable as set forth in Section 10.1(d) hereof. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration will be determined by the Committee in good faith, which determination will be binding upon the Company and the Selling Grantee absent fraud or error.

(d) Payment. Payment of the purchase price for Offered Stock purchased by the Company exercising the Company' s Right of First Refusal will be made within fifteen (15) days after the expiration of the Company' s Refusal Period. Payment of the purchase price will be made, at the option of the Company, (a) in cash (by check), (b) by cancellation of all or a portion of any outstanding indebtedness of the Selling Grantee to the Company, as the case may be, or (c) by any combination of the foregoing.

(e) Selling Grantee' s Right to Transfer. If the Company has not elected pursuant to the Company' s Right of First Refusal to purchase all of the Offered Stock, then the Selling Grantee may transfer that portion of the Offered Stock permitted to be sold by the Selling Grantee to any person named as a Proposed Transferee in the Selling Grantee' s Notice, at the Offered Price or at a higher price, provided that such transfer (a) is consummated within ninety (90) days after the date of the Selling Grantee' s Notice and (b) is in accordance with the terms and conditions of this Agreement. If the Offered Stock is transferred in accordance with the terms and conditions of this Agreement, then the transferee(s) of the Offered Stock will thereafter hold such Offered Stock subject to the Company' s Right of First Refusal. If the Offered Stock is not so transferred during such ninety (90) day period, then the Selling Grantee will not transfer any of such Offered Stock without complying again in full with the provisions of this Agreement

10.2 "Market Stand-Off" Agreement. Each Grantee hereby agrees that it shall not, to the extent requested by the Company or an underwriter of securities of the Company, sell or otherwise Transfer, assign or dispose of any Options or Stock of the Company then owned by such Grantee and acquired pursuant to a grant of Options or Awards pursuant to this Plan (other than to transferees of the Grantee who agree to be similarly bound) for up to one hundred eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act of 1933, as amended (the "Market Stand-Off Agreement"); provided, however, that such agreement shall be applicable only to the first such registration statement of the Company which covers securities to be sold on its behalf to the public in an underwritten offering. In order to enforce the foregoing covenant, the Company shall have the right to impose stop transfer instructions with respect to Options and shares of Stock of each Grantee until the end of such

period. Each Grantee further agrees to enter into any agreement reasonably required by the underwriters to implement the foregoing within any reasonable timeframe so requested.

10.3 Shareholder Agreements and Voting Agreements. If required by the Company, the Grantee shall, on the date of any grant of any Award or the exercise of any Option to acquire Stock, become a party to any shareholder agreement, right of first refusal and co-sale agreement and/or voting agreement that is signed by a majority of the holders of Stock, on an as-converted basis. Any certificate representing shares of Stock issued upon any grant of any Award of the exercise of any Option shall bear any legend required by any such shareholder agreement, right of first refusal and co-sale agreement and/or voting agreement or any similar legend deemed by the Company to constitute an appropriate notice of the provisions thereof (any such certificate not having such legend(s) shall be surrendered upon demand by the Company and so endorsed). To the extent that Company requires Grantee to become a party to any such shareholder agreement, right of first refusal and co-sale agreement and/or voting agreement, and the terms of such agreement(s) conflict with the terms hereof, the terms of such agreement(s) shall govern such conflict.

ARTICLE 11
RELATIONSHIP TO OTHER COMPENSATION PLANS

The adoption of the Plan shall not affect any other stock option, incentive, or other compensation plans in effect for the Company or any of its Subsidiaries; nor shall the adoption of the Plan preclude the Company or any of its Subsidiaries from establishing any other form of incentive or other compensation plan for Employees or Directors of the Company or any of its Subsidiaries.

ARTICLE 12
MISCELLANEOUS

12.1 Replacement or Amended Grants. At the sole discretion of the Committee, and subject to the terms of the Plan, the Committee may modify outstanding Options or Awards or accept the surrender of outstanding Options or Awards and grant new Options or Awards in substitution for them, provided that no modification of an Option or Award shall adversely affect a Grantee' s rights under a prior existing Stock Option Agreement or Restricted Stock Agreement without the consent of the Grantee or his legal representative.

12.2 Leave of Absence. Unless provided otherwise in a particular Stock Option Agreement, the following provisions shall, at the discretion of the Committee, apply upon an Optionee' s commencement of an authorized leave of absence:

(a) The exercise schedule in effect for such Option shall be frozen as of the first day of the authorized leave, and the Option shall not become exercisable for any additional installments of shares of Stock during the period Optionee remains on such leave.

(b) Should Optionee resume active Employee status within 60 days after the start date of the authorized leave, Optionee shall, for purposes of the applicable exercise schedule, receive service credit for the entire period of such leave. If Optionee does not resume active Employee status within such 60-day period, then no credit shall be given for the entire period of such leave.

(c) In no event shall the Option become exercisable for any additional shares or otherwise remain outstanding if the Optionee does not resume Employee status prior to the Expiration Date of the option term.

12.3 Plan Binding on Successors. The Plan shall be binding upon the successors and assigns of the Company.

12.4 Singular, Plural; Gender. As used herein, when appropriate in the context and under the circumstances, the singular shall include the plural, and the plural shall include the singular, and the masculine pronoun shall include the feminine pronoun and the feminine pronoun shall include the masculine.

12.5 Headings, etc., No Part of Plan. Headings of Articles and Sections of this Plan are inserted for convenience and reference; they do not constitute part of the Plan.

12.6 Section 16 Compliance. With respect to Section 16 Insiders and "highly- compensated" persons under Section 162(m) of the Code, transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under the Exchange Act and with Section 162(m) of the Code. To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed void to the extent permitted by law and deemed advisable by the Committee. In addition, if necessary to comply with Rule 16b- 3 with respect to any grant of an Option hereunder, and in addition to any other vesting or holding period specified hereunder or in an applicable Stock Option Agreement, any Section 16 Insider acquiring an Option shall be required to hold either the Option or the underlying shares of Stock obtained upon exercise of the Option for a minimum of six months.

12.7 Governing Law,. This plan shall be governed by the laws of the State of Delaware in all areas not pre-empted by Federal law.

EXHIBIT A

APTERA MOTORS CORP.
STOCK OPTION AGREEMENT
[Employee Version]

THE TRANSFER OF THESE SECURITIES HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY OTHER APPLICABLE BLUE SKY LAWS, AND CANNOT BE SOLD OR OTHERWISE TRANSFERRED UNLESS SUCH SALE OR TRANSFER IS REGISTERED UNDER SUCH ACTS, OR EXEMPTIONS FROM SUCH REGISTRATION ARE AVAILABLE.

THIS STOCK OPTION AGREEMENT (this "Agreement") is entered into as of this 28th day of July, 2021, by and between APTERA MOTORS CORP., a Delaware corporation (the "Company"), and Chris Anthony (the "Optionee").

On June 15th, 2021, the Board of Directors of the Company adopted a Stock Option and Incentive Plan known as the Company' s "2021 Stock Option and Incentive Plan" (the "Plan"), and recommended that the Plan be approved by the Company' s shareholders. On June 20th, 2021, the shareholders of the Company adopted and approved the Plan. The Committee has granted the Optionee a stock option to purchase the number of shares of the Company' s Class B Common Stock as set forth below, and in consideration of the granting of that stock option the Optionee intends to remain in the employ of the Company. The Company and the Optionee desire to enter into a written agreement with respect to such option in accordance with the Plan. Therefore, as an employment incentive and to encourage stock ownership, and also in consideration of the mutual covenants contained herein, the parties hereto agree as follows.

1. Incorporation of Plan. This option is granted pursuant to the provisions of the Plan, and the terms and definitions of the Plan are incorporated into this Agreement by reference and made a part of this Agreement. The Optionee acknowledges receipt of a copy of the Plan.

2. Grant of Option. Subject to the terms, restrictions, limitations and conditions stated in this Agreement and the Plan, the Company hereby evidences its grant to the Optionee, not in lieu of salary or other compensation, of the right and option (the "Option") to purchase all or any part of the number of shares of the Company' s Class B Common Stock (the "Stock"), set forth on Schedule A attached and incorporated into this Agreement by reference. The Option shall be exercisable in the amounts and at the time(s) specified on Schedule A. The Option shall expire and shall not be exercisable on or after the date specified on Schedule A or on such earlier date as determined pursuant to Section 8, 9, or 10 of this Agreement. Schedule A states whether the Option is intended to be an Incentive Stock Option.

3. Purchase Price. The price per share to be paid by the Optionee for the shares subject to this Option (the "Exercise Price") shall be as specified on Schedule A, which price, if the Option is an Incentive Stock Option, shall be an amount not less than the Fair Market Value (or 110% of the Fair Market Value if Optionee is a person described in Section 6.3(b) of the Plan) of a share of Stock as of the Date of Grant (as defined in Section 11 below). The Committee has in

good faith set the fair market value of these Options. In the event the Fair Market Value should be determined to be otherwise, there shall be no adverse tax liabilities attributable to the Company as a result of additional tax consequences to Optionee.

4. Exercise Terms. The Optionee must exercise the Option for at least the lesser of 100 shares or the number of shares of Purchasable Stock as to which the Option remains unexercised. If this Option is not exercised with respect to all or any part of the shares subject to this Option prior to its expiration, the shares with respect to which this Option was not exercised shall no longer be subject to this Option.

5. Option Non-Transferable. This Option shall not be transferable by an Optionee other than by will or the laws of descent and distribution or, in the case of Non-Incentive Stock Options, pursuant to a domestic relations order issued by a court of competent jurisdiction or as otherwise permitted pursuant to Section 6.9 of the Plan. During the lifetime of Optionee, Options shall be exercisable only by such Optionee (or by such Optionee' s guardian or legal representative, should one be appointed). Optionee shall not Transfer any Stock received pursuant to the exercise of this Option unless Optionee has first offered such Stock to the Company in accordance with Section 10.1 of the Plan and the assignee agrees in writing to be bound by the terms and conditions of the Plan, including but not limited to Article 10.

6. Notice of Exercise of Option. This Option may be exercised by the Optionee, or by the Optionee' s administrators, executors or personal representatives, by a written notice (in substantially the form of the Notice of Exercise attached to this Agreement as Schedule B) signed by the Optionee, or by such administrators, executors or personal representatives, and delivered or mailed to the Company as specified in Section 15 below to the attention of the President, Chief Executive Officer or such other officer as the President or Chief Executive Officer may designate. Any such notice shall (a) specify the number of shares of Stock which the Optionee or the Optionee' s administrators, executors or personal representatives, as the case may be, then elects to purchase hereunder, (b) contain such information as may be reasonably required pursuant to Section 12 below, and (c) be accompanied by (i) a certified or cashier' s check or, if acceptable to the Committee, a recourse note payable to the Company in payment of the total Exercise Price applicable to such shares as provided herein, (ii) shares of Stock owned by the Optionee and duly endorsed or accompanied by stock transfer powers having a Fair Market Value equal to the total Exercise Price applicable to such shares purchased under this Agreement, or (iii) a certified or cashier' s check or, if acceptable to the Committee, a recourse note payable to the Company, accompanied by the number of shares of Stock whose Fair Market Value when added to the amount of the check or note equals the total Exercise Price applicable to the shares being purchased under this Agreement. Upon receipt of any such notice and accompanying payment, and subject to the terms hereof, the Company agrees to issue to the Optionee or the Optionee' s administrators, executors or personal representatives, as the case may be, stock certificates for the number of shares specified in such notice registered in the name of the person exercising this Option.

7. Adjustment in Option. The number of Shares subject to this Option, the Exercise Price and other matters are subject to adjustment during the term of this Option in accordance with Section 5.2 of the Plan.

8. Termination of Employment.

(a) Except as otherwise specified in Schedule A to this Agreement, in the event of the termination of the Optionee' s employment with the Company or any of its Subsidiaries, other than a termination that is either (i) for Cause, (ii) voluntary on the part of the Optionee and without written consent of the Company, or (iii) for reasons of death or Disability or retirement, the Optionee may exercise this Option at any time within three (3) months after such termination to the extent of the number of shares which were Purchasable hereunder at the date of such termination.

(b) Except as specified in Schedule A attached hereto, in the event of a termination of the Optionee' s employment that is either (i) for Cause or (ii) voluntary on the part of the Optionee and without the written consent of the Company, this Option, to the extent not previously exercised, shall terminate immediately and shall not thereafter be or become exercisable.

(c) Unless and to the extent otherwise provided in Schedule A hereto, in the event of the retirement of the Optionee at or after the normal retirement date as prescribed from time to time by the Company or any Subsidiary (age 65 unless so prescribed or unless the Committee determines otherwise), the Optionee shall continue to have the right to exercise this Option for shares which were Purchasable at the date of the Optionee' s retirement, such rights to be subject to the provisions of this Agreement. Notwithstanding the foregoing, the Option will become void and unexercisable on the date which is three months after the date of retirement unless, with respect to a Non-Incentive Stock Option, on (or effective as of) the date of retirement the Optionee enters into a noncompete agreement with the Company, in form and substance reasonably satisfactory to the Company, and continuously complies with such noncompete agreement for the period of time during which the Option may be exercised. (Incentive Stock Options will remain subject to the requirement of Section 6.10 of the Plan, and they must be exercised, if at all, not later than three months following termination of such Optionee' s employment, unless termination is due to Optionee' s death or Disability, in which case an Incentive Stock Option may be exercised within one year following such termination; provided that if an exercise of an Incentive Stock Option is permitted pursuant to Schedule A, and an Optionee does so attempt to exercise an Incentive Stock Option, outside of those time parameters, but the Incentive Stock Option thereupon will become a Non-Incentive Stock Option subject to all the terms of this Agreement and the Plan governing Non-Incentive Stock Options.) This Option does not confer upon the Optionee any right with respect to continuance of employment by the Company or by any of its Subsidiaries. This Option shall not be affected by any change of employment so long as the Optionee continues to be an employee of the Company or one of its Subsidiaries.

9. Disabled Optionee. In the event of termination of employment because of the Optionee' s Disability, any unvested rights to acquire shares pursuant to this Option shall immediately vest and the Optionee (or his or her personal representative) may exercise this Option, within a period ending on the earlier of (a) the last day of the one year period following the Optionee' s Disability or (b) the expiration date of this Option.

10. Death of Optionee. Except as otherwise set forth in Schedule A with respect to the rights of the Optionee upon termination of employment under Section 8(a) above, in the event of the Optionee' s death while employed by the Company or any of its Subsidiaries or within three months after a termination of such employment (if such termination was neither (i) for Cause nor (ii) voluntary on the part of the Optionee and without the written consent of the Company), the appropriate persons described in Section 6 of this Agreement or persons to whom all or a portion of this Option is transferred in accordance with Section 5 of this Agreement may exercise this Option at any time within a period ending on the earlier of (a) the last day of the one year period following the Optionee' s death or (b) the expiration date of this Option. If the Optionee was an employee of the Company at the time of death, any unvested rights to acquire shares pursuant to this Option shall immediately vest and this Option may be so exercised. If the Optionee' s employment terminated prior to his or her death, this Option may be exercised only to the extent of the number of shares covered by this Option which were Purchasable under this Agreement at the date of such termination.

11. Date of Grant. This Option was granted by the Committee on the date set forth in Schedule A (the "Date of Grant").

12. Compliance with Regulatory Matters. The Optionee acknowledges that the issuance of capital stock of the Company is subject to limitations imposed by federal and state law, and the Optionee hereby agrees that the Company shall not be obligated to issue any shares of Stock upon an attempted exercise of this Option that would cause the Company to violate law or any rule, regulation, order or consent decree of any regulatory authority (including without limitation the SEC) having jurisdiction over the affairs of the Company. The Optionee agrees that he or she will provide the Company with such information as is reasonably requested by the Company or its counsel to determine whether the issuance of Stock complies with the provisions described by this Section 12.

13. Restriction on Disposition of Shares. Unless the Company otherwise agrees in writing, the shares purchased pursuant to the exercise of an Incentive Stock Option shall not be Transferred by the Optionee except pursuant to the Optionee' s will, or the laws of descent and distribution, until such date which is the later of two years after the grant of such Incentive Stock Option or one year after the transfer of the shares to the Optionee pursuant to the exercise of such Incentive Stock Option. An attempted transfer of such shares in violation of these restrictions will be permitted if such a transfer would have been permitted under this Agreement for shares purchased pursuant to the exercise a Non-Incentive Stock Option, but the Incentive Stock Option under which such shares were issued thereupon will become a Non-Incentive Stock Option subject to all the terms of this Agreement and the Plan governing Non-Incentive Stock Options.

14. Termination as a Subsidiary of the Company. In the event that Optionee is employed by a Subsidiary of the Company and the Company or its Subsidiaries cease to own greater than 50% of such Subsidiary, this Option shall terminate on the date the Company or its Subsidiaries cease to own greater than 50% of such Subsidiary unless the Board or the Committee determines otherwise.

15. Miscellaneous.

(a) This Agreement shall be binding upon the parties hereto and their representatives, successors and assigns.

(b) This Agreement shall be deemed executed and delivered in, and shall be governed by the laws of, the State of Delaware.

(c) Any requests or notices to be given hereunder shall be deemed given, and any elections or exercises to be made or accomplished shall be deemed made or accomplished, upon actual delivery thereof to the designated recipient, or three days after deposit thereof in the United States mail, registered, return receipt requested and postage prepaid, addressed, if to the Optionee, at Optionee' s address shown in the Company' s records and, if to the Company, to the executive offices of the Company**,** or at such other addresses that the parties provide to each other in accordance with the foregoing notice requirements.

(d) This Agreement may not be modified except in writing executed by each of the parties to it.

(e) In addition to all other provisions of the Plan, Employee acknowledges that the Stock issuable upon the exercise of the Options granted pursuant to this Agreement is subject to the Company' s Right of First Refusal and the Market Stand-Off Agreement under Section 10.1 and 10.2 of the Plan, respectively.

[Remainder of page intentionally blank. Signatures appear on the following page.]

IN WITNESS WHEREOF, the Committee has caused this Stock Option Agreement to be executed on behalf of the Company, and the Optionee has executed this Stock Option Agreement, all as of the day and year first above written.

APTERA MOTORS CORP.

By:_____
Name: Chris Anthony
Title: Co-CEO

OPTIONEE

_____
Name:

SCHEDULE A
TO
STOCK OPTION AGREEMENT
BETWEEN
APTERA MOTORS CORP.
AND
[OPTIONEE NAME]

Dated: _____

1. Number of Shares Subject to Option: _____ Class B Common Stock.

2. Type of Option: This Option (Check one) [ ] is [ ] is not intended to qualify as an Incentive Stock Option.

3. Option Exercise Price: $_____ per Share.

4. Date of Grant: _____

5. Option Vesting Schedule:

Check one:

( ) Options are exercisable with respect to all shares on or after the date hereof.

( ) Options are exercisable with respect to the number of shares indicated below on or after the date indicated next to the number of shares:

No. of Shares	Vesting Date

6. Option Exercise Period (check one):

( ) All options expire and are void unless exercised on or before _____, ____.

( ) Options expire and are void unless exercised on or before the date indicated next to the number of shares:

No. of Shares	Expiration Date
N/A	N/A

7. Effect of Termination of Service of Optionee.

( ) There are no modifications to the provisions of the Stock Option Agreement or the Plan regarding the effect of termination of employment of Optionee.

( ) The following additional terms apply (check all that apply):

( ) Upon termination of services for Cause or voluntarily without the consent of the Company *(default rule under the Stock Option Agreement results in immediate termination of the Option to the extent not exercised prior to such termination)*:

_____

_____

( ) Upon termination of services without Cause *(default rule under the Stock Option Agreement allows Optionee three (3) months to exercise Option with regard to those shares that were Purchasable at the time of termination)*:

_____

_____

( ) Upon termination of services upon retirement by Optionee at or after the normal retirement date, as prescribed by the Company from time to time *(default rule under the Stock Option Agreement allows Optionee to exercise Option with regard to those shares that were Purchasable at the time of termination, subject to the termination of the Exercise Period set forth hereinabove; provided however, that to maintain ISO tax treatment, if any, such shares must be exercised within three (3) months after termination):*

_____

_____

( ) Upon death or Total and Permanent Disability of Optionee *(default rule under the Stock Option Agreement has all shares vesting immediately and allows Optionee the shorter of (a) one year after termination or (b) the expiration date of this Option, to exercise the Option)*:

_____

_____

( ) Upon the occurrence of a Corporate Transaction *(default rule under the Plan is that a Corporate Transaction does not automatically trigger an acceleration of vesting of any unvested shares under an Option)*:

_____

_____

SCHEDULE B
TO
STOCK OPTION AGREEMENT
BETWEEN
APTERA MOTORS INC.
AND
[OPTIONEE' S NAME]

Dated: _____

NOTICE OF EXERCISE

The undersigned hereby notifies Aptera Motors Inc. (the "Company") of this election to exercise the undersigned' s stock option to purchase _____ shares of the Company' s Class B Common Stock (the "Common Stock"), pursuant to the Stock Option Agreement (the "Agreement") between the undersigned and the Company dated _____, ____. Accompanying this Notice is (1) a certified or a cashier' s check or, if acceptable to the Committee, a recourse note payable to the Company, in the amount of $_____ payable to the Company, and/or (2) _____ shares of the Company' s Common Stock presently owned by the undersigned and duly endorsed or accompanied by stock transfer powers, having an aggregate Fair Market Value (as defined in the Company' s 20__ Stock Option and Incentive Plan (the "Plan")) as of the date hereof of $_____, and/or (3) authorization to withhold _____ shares of Common Stock otherwise issuable upon exercise of the Option having an aggregate Fair Market Value (as defined in the Plan) as of the date hereof of $_____, with such shares of Common Stock that are withheld being credited against the Exercise Price, such amounts of (1), (2) and (3) being equal, in the aggregate, to the purchase price per share set forth in Section 3 of the Agreement multiplied by the number of shares being purchased hereby (in each instance subject to appropriate adjustment pursuant to Section 5.2 of the Plan).

IN WITNESS WHEREOF, the undersigned has set his hand and seal, this _____ day of , _____.

OPTIONEE [OR OPTIONEE' S ADMINISTRATOR,
EXECUTOR OR PERSONAL REPRESENTATIVE]

_____

Name: _____

Position (if other than Optionee): _____

EXHIBIT B

APTERA MOTORS CORP.
STOCK OPTION AGREEMENT
[Non-Employee Directors, Consultants and Advisor Version]

THE TRANSFER OF THESE SECURITIES HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY OTHER APPLICABLE BLUE SKY LAWS, AND CANNOT BE SOLD OR OTHERWISE TRANSFERRED UNLESS SUCH SALE OR TRANSFER IS REGISTERED UNDER SUCH ACTS, OR EXEMPTIONS FROM SUCH REGISTRATION ARE AVAILABLE.

THIS STOCK OPTION AGREEMENT (this "Agreement") is entered into as of this 30th day of June, 2021, by and between APTERA MOTORS CORP., a Delaware corporation (the "Company"), and_____(the "Optionee").

On June___, 2021, the Board of Directors of the Company adopted a Stock Option and Incentive Plan known as the Company' s "2021 Stock Option and Incentive Plan" (the "Plan"), and recommended that the Plan be approved by the Company' s shareholders. On June___, 2021, the shareholders of the Company adopted and approved the Plan. The Committee has granted the Optionee a stock option to purchase the number of shares of the Company' s Class B Common Stock as set forth below, and in consideration of the granting of that stock option the Optionee intends to remain in the service of the Company as a non-employee director, consultant or advisor, as the case may be. The Company and the Optionee desire to enter into a written agreement with respect to such option in accordance with the Plan. Therefore, as an incentive and to encourage stock ownership, and also in consideration of the mutual covenants contained herein, the parties hereto agree as follows.

1. Incorporation of Plan. This option is granted pursuant to the provisions of the Plan, and the terms and definitions of the Plan are incorporated into this Agreement by reference and made a part of this Agreement. The Optionee acknowledges receipt of a copy of the Plan.

2. Grant of Option. Subject to the terms, restrictions, limitations and conditions stated in this Agreement and the Plan, the Company hereby evidences its grant to the Optionee, not in lieu of salary or other compensation, of the right and option (the "Option") to purchase all or any part of the number of shares of the Company' s Class B Common Stock (the "Stock"), set forth on Schedule A attached and incorporated into this Agreement by reference. The Option shall be exercisable in the amounts and at the time(s) specified on Schedule A. The Option shall expire and shall not be exercisable on or after the date specified on Schedule A or on such earlier date as determined pursuant to Section 8, 9, or 10 of this Agreement. ***This Option is a Non-Incentive Stock Option***.

3. Purchase Price. The price per share to be paid by the Optionee for the shares subject to this Option (the "Exercise Price") shall be as specified on Schedule A, which price shall be an amount not less than the Fair Market Value of a share of Stock as of the Date of Grant. The

Committee has in good faith set the fair market value of these Options. In the event the Fair Market Value should be determined to be otherwise, there shall be no adverse tax liabilities attributable to the Company as a result of additional tax consequences to Optionee.

4. Exercise Terms. The Optionee must exercise the Option for at least the lesser of 100 shares or the number of shares of Purchasable Stock as to which the Option remains unexercised. If this Option is not exercised with respect to all or any part of the shares subject to this Option prior to its expiration, the shares with respect to which this Option was not exercised shall no longer be subject to this Option.

5. Option Non-Transferable. This Option shall not be transferable by an Optionee other than by will or the laws of descent and distribution or, pursuant to a domestic relations order issued by a court of competent jurisdiction, or as otherwise permitted pursuant to Section 6.9 of the Plan. During the lifetime of an Optionee, Options shall be exercisable only by such Optionee (or by such Optionee' s guardian or legal representative, should one be appointed). Optionee shall not Transfer any Stock received pursuant to the exercise of this Option unless Optionee has first offered such Stock to the Company in accordance with Section 10.1 of the Plan and the assignee agrees in writing to be bound by the terms and conditions of the Plan, including but not limited to Article 10.

6. Notice of Exercise of Option. This Option may be exercised by the Optionee, or by the Optionee' s administrators, executors or personal representatives, by a written notice (in substantially the form of the Notice of Exercise attached to this Agreement as Schedule B) signed by the Optionee, or by such administrators, executors or personal representatives, and delivered or mailed to the Company as specified in Section 14 below to the attention of the President, Chief Executive Officer or such other officer as the President or Chief Executive Officer may designate. Any such notice shall (a) specify the number of shares of Stock which the Optionee or the Optionee' s administrators, executors or personal representatives, as the case may be, then elects to purchase hereunder, (b) contain such information as may be reasonably required pursuant to Section 12 below, and (c) be accompanied by (i) a certified or cashier' s check or, if acceptable to the Committee, a recourse note payable to the Company in payment of the total Exercise Price applicable to such shares as provided herein, (ii) shares of Stock owned by the Optionee and duly endorsed or accompanied by stock transfer powers having a Fair Market Value equal to the total Exercise Price applicable to such shares purchased under this Agreement, or (iii) a certified or cashier' s check or, if acceptable to the Committee, a recourse note payable to the Company, accompanied by the number of shares of Stock whose Fair Market Value when added to the amount of the check or note equals the total Exercise Price applicable to the shares being purchased under this Agreement. Upon receipt of any such notice and accompanying payment, and subject to the terms hereof, the Company agrees to issue to the Optionee or the Optionee' s administrators, executors or personal representatives, as the case may be, stock certificates for the number of shares specified in such notice registered in the name of the person exercising this Option.

7. Adjustment in Option. The number of Shares subject to this Option, the Exercise Price and other matters are subject to adjustment during the term of this Option in accordance with Section 5.2 of the Plan.

8. Termination of Service.

(a) Except as otherwise specified in Schedule A to this Agreement, in the event of the termination of the Optionee' s service to the Company or any of its Subsidiaries, other than a termination that is either (i) for Cause, or (ii) voluntary on the part of the Optionee and without written consent of the Company, or (iii) for reasons of death or Disability or retirement, the Optionee may exercise this Option at any time within three (3) months after such termination to the extent of the number of shares which were Purchasable hereunder at the date of such termination and the Option with regard to any shares which were not Purchasable hereunder as of the date of such termination shall automatically terminate.

(b) Except as specified in Schedule A attached hereto, in the event of a termination of the Optionee' s service that is either (i) for Cause or (ii) voluntary on the part of the Optionee and without the written consent of the Company, this Option, to the extent not previously exercised, shall terminate immediately and shall not thereafter be or become exercisable.

(c) Unless and to the extent otherwise provided in Schedule A hereto, in the event of the retirement of the Optionee at or after the normal retirement date (age 65 unless the Committee determines otherwise), the Optionee shall continue to have the right to exercise any Options for shares which were Purchasable at the date of the Optionee' s retirement, such rights to be subject to the provisions of this Agreement. Notwithstanding the foregoing, the Option will become void and unexercisable on the date which is three months after the date of retirement unless, with respect to a Non-Incentive Stock Option, on (or effective as of) the date of retirement the Optionee enters into a noncompete agreement with the Company, which the Company must offer to the Optionee, and continuously complies with such noncompete agreement for the period of time during which the Option may be exercised.

9. Continuance of Service. This Option does not confer upon the Optionee any right with respect to continuance of service to the Company or by any of its Subsidiaries. This Option shall not be affected by any change of service so long as the Optionee continues to serve the Company or one of its Subsidiaries.

10. Death of Optionee. Except as otherwise set forth in Schedule A with respect to the rights of the Optionee upon termination of service under Section 8(a) above, in the event of the Optionee' s death or Disability while in the service of the Company or any of its Subsidiaries or within three months after a termination of such service (if such termination was neither (i) for Cause nor (ii) voluntary on the part of the Optionee and without the written consent of the Company), the appropriate persons described in Section 6 of this Agreement or persons to whom all or a portion of this Option is transferred in accordance with Section 5 of this Agreement may exercise this Option at any time within a period ending on the earlier of (a) the last day of the one year period following the Optionee' s death or Disability or (b) the expiration date of this Option. If the Optionee was in the service of the Company at the time of death or Disability, any unvested rights to acquire shares pursuant to this Option shall immediately vest and this Option may be so exercised. If the Optionee' s service terminated prior to his or her death or Disability,

this Option may be exercised only to the extent of the number of shares covered by this Option which were Purchasable under this Agreement at the date of such termination.

11. Date of Grant. This Option was granted by the Committee on the date set forth in Schedule A (the "Date of Grant").

12. Compliance with Regulatory Matters. The Optionee acknowledges that the issuance of capital stock of the Company is subject to limitations imposed by federal and state law, and the Optionee hereby agrees that the Company shall not be obligated to issue any shares of Stock upon an attempted exercise of this Option that would cause the Company to violate law or any rule, regulation, order or consent decree of any regulatory authority (including without limitation the SEC) having jurisdiction over the affairs of the Company. The Optionee agrees that he or she will provide the Company with such information as is reasonably requested by the Company or its counsel to determine whether the issuance of Stock complies with the provisions described by this Section 12.

13. Termination as a Subsidiary of the Company. In the event that Optionee is in the service of a Subsidiary of the Company and the Company or its Subsidiaries cease to own greater than 50% of such Subsidiary, this Option shall terminate on the date the Company or its Subsidiaries cease to own greater than 50% of such Subsidiary unless the Board or the Committee determines otherwise.

14. Miscellaneous.

(a) This Agreement shall be binding upon the parties hereto and their representatives, successors and assigns.

(b) This Agreement is executed and delivered in, and shall be governed by the laws of, the State of_____.

(c) Any requests or notices to be given hereunder shall be deemed given, and any elections or exercises to be made or accomplished shall be deemed made or accomplished, upon actual delivery thereof to the designated recipient, or three days after deposit thereof in the United States mail, registered, return receipt requested and postage prepaid, addressed, if to the Optionee, at Optionee' s address shown in the Company' s records and, if to the Company, to the executive offices of the Company, or at such other addresses that the parties provide to each other in accordance with the foregoing notice requirements.

(d) This Agreement may not be modified except in writing executed by each of the parties to it.

(e) In addition to all other provisions of the Plan, Employee acknowledges that the Stock issuable upon the exercise of the Options granted pursuant to this Agreement is subject to the Company' s Right of First Refusal and the Market Stand-Off Agreement under Section 10.1 and 10.2 of the Plan, respectively.

IN WITNESS WHEREOF, the Committee has caused this Stock Option Agreement to be executed on behalf of the Company, and the Optionee has executed this Stock Option Agreement, all as of the day and year first above written.

APTERA MOTORS CORP.

By: _____
Name: _____
Title: _____

OPTIONEE

_____
Name: _____

SCHEDULE A
TO
STOCK OPTION AGREEMENT
BETWEEN
APTERA MOTORS
CORP. AND

[OPTIONEE' S NAME]

Dated: _____

1. Number of Shares Subject to Option:_____Shares of Class B Common Stock.
2. Type of Option: This Option is not an Incentive Stock Option.
3. Option Exercise Price: $_____ per Share.
4. Date of Grant: _____
5. Option Vesting Schedule:

Checkone:

( ) Options are exercisable with respect to all shares on or after the date hereof.

( ) Options are exercisable with respect to the number of shares indicated below on or after the date indicated next to the number of shares:

No. of Shares	Vesting Date

6. Option Exercise Period (check one):

( ) All options expire and are void unless exercised on or before_____, _____.

( ) Options expire and are void unless exercised on or before the date indicated next to the number of shares:

No. of Shares	Expiration Date

7. Effect of Termination of Service of Optionee.

( ) There are no modifications to the provisions of the Stock Option Agreement or the Plan regarding the effect of termination of employment of Optionee.

( ) The following additional terms apply (check all that apply):

( ) Upon termination of services for Cause or voluntarily without the consent of the Company *(default rule under the Stock Option Agreement results in immediate termination of the Option to the extent not exercised prior to such termination)*:

_____
_____

( ) Upon termination of services without Cause *(default rule under the Stock Option Agreement allows Optionee three (3) months to exercise Option with regard to those shares that were Purchasable at the time of termination)*:

_____
_____

( ) Upon termination of services upon retirement by Optionee at or after the normal retirement date, as prescribed by the Company from time to time *(default rule under the Stock Option Agreement allows Optionee to exercise Option with regard to those shares that were Purchasable at the time of termination, subject to the termination of the Exercise Period set forth hereinabove):*

_____
_____

( ) Upon death or Total and Permanent Disability of Optionee *(default rule under the Stock Option Agreement has all shares vesting*

immediately and allows Optionee the shorter of (a) one year after termination or (b) the expiration date of this Option, to exercise the Option):

_____
_____

( ) Upon the occurrence of a Corporate Transaction *(default rule under the Plan is that a Corporate Transaction does not automatically trigger an acceleration of vesting of any unvested shares under an Option)*:

_____
_____

SCHEDULE B
TO
STOCK OPTION AGREEMENT
BETWEEN
APTERA MOTORS
CORP. AND

Dated: _____

NOTICE OF EXERCISE

The undersigned hereby notifies APTERA MOTORS CORP. (the "Company") of this election to exercise the undersigned' s stock option to purchase_____shares of the Company' s Class B Common Stock (the "Common Stock"), pursuant to the Stock Option Agreement (the "Agreement") between the undersigned and the Company dated_____,_____. Accompanying this Notice is (1) a certified or a cashier' s check or, if acceptable to the Committee, a recourse note payable to the Company, in the amount of $_____ payable to the Company, and/or (2) _____ shares of the Company' s Common Stock presently owned by the undersigned and duly endorsed or accompanied by stock transfer powers, having an aggregate Fair Market Value (as defined in the Company' s 20__ Stock Option and Incentive Plan (the "Plan")) as of the date hereof of $_____, and/or (3) authorization to withhold_____shares of Common Stock otherwise issuable upon exercise of the Option having an aggregate Fair Market Value (as defined in the Plan) as of the date hereof of $_____, with such shares of Common Stock that are withheld being credited against the Exercise Price, such amounts of (1), (2) and (3) being equal, in the aggregate, to the purchase price per share set forth in Section 3 of the Agreement multiplied by the number of shares being purchased hereby (in each instance subject to appropriate adjustment pursuant to Section 5.2 of the Plan).

IN WITNESS WHEREOF, the undersigned has set his hand and seal, this_____ day of_____,_____.

OPTIONEE [OR OPTIONEE' S ADMINISTRATOR,
EXECUTOR OR PERSONAL REPRESENTATIVE]

_____

Name: _____

Position (if other than Optionee):_____

EXHIBIT C

APTERA MOTORS CORP.
RESTRICTED STOCK AGREEMENT

THE TRANSFER OF THESE SECURITIES HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY OTHER APPLICABLE BLUE SKY LAWS, AND CANNOT BE SOLD OR OTHERWISE TRANSFERRED UNLESS SUCH SALE OR TRANSFER IS REGISTERED UNDER SUCH ACTS, OR EXEMPTIONS FROM SUCH REGISTRATION ARE AVAILABLE.

THIS RESTRICTED STOCK AGREEMENT (this "Agreement") is entered into as of this_____ day of_____,_____, by and between APTERA MOTORS CORP., a Delaware corporation (the "Company"), and _____ (the "Grantee").

On June___, 2021, the Board of Directors of the Company adopted a Stock Option and Incentive Plan known as the Company' s "2021 Stock Option and Incentive Plan" (the "Plan"), and recommended that the Plan be approved by the Company' s shareholders. On June ____ , 2021, the shareholders of the Company adopted and approved the Plan. The Committee has determined that the Grantee is to be granted a restricted stock award (the "Award") under the Plan, and in consideration of the granting of that Award to purchase the specified number of shares of Class B Common Stock of the Company (the "Common Stock") the Grantee intends to continue providing services to Company. The Company and the Grantee desire to enter into a written agreement with respect to such Award in accordance with the Plan.

NOW, THEREFORE, the Company and the Grantee hereby agree as follows:

1. Grant of Restricted Stock Award. The Award grants the Grantee shares of Class B Common Stock (the "Restricted Stock"). The Restricted Stock is granted pursuant to the Plan and is subject to the terms and conditions thereof, which are incorporated herein by this reference. To the extent any provision in this Agreement is inconsistent with the Plan, the provisions of the Plan shall govern. The Grantee hereby acknowledges receipt of, or access to, a copy of the Plan.

2. Date of Grant. The Award is granted on the date set forth on Schedule A hereto (the "Date of Grant").

3. Restrictions on Transfer. On and after the Date of Grant and until each portion of the Restricted Stock vests as provided in Section 4 hereof, the Grantee shall not be permitted to Transfer or otherwise dispose of that portion of the Restricted Stock except for transfers: (i) by a gift during a Grantee' s lifetime or on a Grantee' s death by will or intestacy to a Family Member of such Grantee; (ii) pursuant to a domestic relations order issued by a court of competent jurisdiction, provided that, in each case of (i) or (ii) above, each transferee or other recipient executes a written agreement to be bound by the terms and conditions of the Plan, including without limitation, Section 11 hereof; (iii) pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations, or otherwise by operation of law, (iv) pursuant to the winding up and dissolution of the Company, or (v) at, and pursuant to, an IPO, but subject to the Market Stand-Off Agreement described in Section 10.2 of the Plan.

4. Vesting of Restricted Stock. Restricted Stock will vest in installments, in the amounts and on the dates set forth on Schedule A. The Committee shall have the power, in its sole discretion, to accelerate the vesting of all or a portion of the Restricted Stock, to waive any restrictions, including any additional restrictions set forth on Schedule A, with respect to any part or all of the Restricted Stock, or to waive the forfeiture of the Restricted Stock and to retain restrictions on Restricted Stock that would have been forfeited pursuant to the terms of the Plan and the terms of this Agreement.

5. Forfeiture of Restricted Stock. Except as otherwise may specified on Schedule A, the termination of Grantee' s engagement by the Company shall have the following effect: any Restricted Stock which has not vested as of the effective date of such termination, for any reason, shall immediately be forfeited and shall not vest.

6. Withholding. Grantee must pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, or local taxes of any kind (including any employment taxes) required by law to be withheld with respect to the income realized by Grantee in connection with the ownership of the Restricted Stock. In connection therewith, and without limiting any of the Company' s rights under the Plan:

(a) the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to Grantee, including but not limited to salary payments; and

(b) Grantee hereby authorizes the Company, at the Company' s election, to transfer to the Company shares of Common Stock owned by Grantee (including but not limited to Restricted Stock) with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the required statutory minimum (but no more than such required minimum) with respect to the Company' s withholding obligation. In connection with such authorization Grantee hereby constitutes and appoints each of the Chief Executive Officer, President, and Secretary of the Company as the undersigned' s attorney-in-fact, with full power of substitution, to cause the transfer to the Company of such Restricted Stock or other shares together with all dividends, income, cash, options, warrants, rights, instruments and other property, interests or proceeds from time to time in effect, received, receivable or otherwise distributed in respect of, or in exchange, replacement, renewal or substitution for, any or all of the Restricted Stock or other shares; and Grantee acknowledges that such appointment is being made in connection with a grant of Restricted Stock under the Plan, is coupled with an interest and is therefore irrevocable.

7. Section 83(b) Election. Grantee understands that under Section 83(a) of the Code, the fair market value of the Restricted Stock will be taxed as ordinary income at the time the Restricted Stock is considered to have been transferred for tax purposes and is no longer subject to a substantial risk of forfeiture. Grantee understands that he can file an election under Code Section 83(b) (an "83(b) Election") within thirty (30) days from the date of Award which will result in the Grantee paying tax at ordinary income tax rates (and be subject to FICA) on the fair market value of the Restricted Stock at the time they are awarded rather than as or if they vest (a form of such 83(b) Election is attached as Schedule B) and if Grantee so elects, Grantee will deliver a copy of such election to the Company simultaneously with such filing. Grantee understands that if he makes such election and some or all of the Restricted Stock does not vest, he will not be entitled to recoup any taxes previously paid, although under certain circumstances he may be able to claim an ordinary loss for some or all the taxes. All subsequent appreciation in the Restricted Stock will be taxed at capital gains rates. Grantee further understands that if he makes such election, an additional copy of such 83(b) Election is required to be

filed with his federal income tax return for the calendar year in which the date of this Agreement falls. Grantee understands that failure to file such an 83(b) Election in a timely manner may result in adverse tax consequences for Grantee. Grantee acknowledges that the foregoing is only a summary of the effect of United States federal income taxation with respect to the award of the Restricted Stock hereunder and does not purport to be comprehensive. Grantee further acknowledges that the Company has directed Grantee to seek independent advice regarding the applicable provisions of the Code, the income tax laws of any municipality, state or foreign country in which Grantee may reside or may be subject to taxation, and the tax consequences of Grantee' s death or Permanent or Total Disability. Grantee assumes all responsibility for filing an 83(b) Election, if at all, and paying all taxes with respect to the award of the Restricted Stock, including taxes resulting from such election or the lapse of the restrictions on the Restricted Stock.

8. Legends and Restrictions. If a share certificate is issued evidencing the Restricted Stock, such certificate shall be registered in the name of the Grantee but shall be held in custody by the Company, and such share certificate may contain such legends as required by Article 8 of the Plan or as imposed under applicable state corporation and securities laws, and under the Plan and this Agreement. If a share certificate is not issued evidencing the Restricted Stock but the Restricted Stock are otherwise registered in the Company' s stock transfer records, the Restricted Stock shall be registered in the name of the Grantee but the Company shall be authorized to put in place such procedures as will require the above restrictions to be honored by the transfer agent for the Common Stock.

9. Adjustment in Number of Shares. The number of Restricted Stock shall be subject to adjustment for stock dividends, stock splits, or similar corporate changes involving the Common Stock to the extent set forth in Section 5.2 of the Plan.

10. Change in Control. In the event of a Corporate Transaction (as defined in Article 1 of the Plan), all Restricted Stock under this Agreement that have not otherwise fully vested shall immediately vest.

11. Investment Representations.

(a) No Registration. The Grantee acknowledges that, unless and until the Company notifies the Grantee otherwise, the issuance of the Restricted Stock has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or under applicable state securities laws.

(b) Delay of Issuance. The Grantee acknowledges that, pursuant to Article 8 of the Plan, the Company may delay the issuance of the Restricted Stock, the delivery of certificates for the Restricted Stock, and the release of any restrictions on the transfer of the Restricted Stock for such time as the Company deems necessary or desirable to enable the Company to comply with (i) the requirements of the Securities Act or the Securities Exchange Act or 1934, as amended, or any rules or regulations of the Securities and Exchange Commission or any stock exchange promulgated thereunder; or (ii) the requirements of applicable state laws relating to authorization, issuance or sale of such securities. The Grantee shall provide such information as the Company deems necessary or desirable to secure such compliance.

12. Miscellaneous.

(a) This Agreement shall be binding upon the parties hereto and their representatives, successors and assigns.

(b) This Agreement is executed and delivered in, and shall be governed by the laws of, the State of_____.

(c) Any requests or notices to be given hereunder shall be deemed given, and any elections or exercises to be made or accomplished shall be deemed made or accomplished, upon actual delivery thereof to the designated recipient, or three days after deposit thereof in the United States mail, registered, return receipt requested and postage prepaid, addressed, if to the Grantee, at Grantee' s address shown in the Company' s records and, if to the Company, to the executive offices of the Company**,** or at such other addresses that the parties provide to each other in accordance with the foregoing notice requirements.

(d) This Agreement may not be modified except in writing executed by each of the parties to it.

(e) In addition to all other provisions of the Plan, Grantee acknowledges that the Restricted Stock granted pursuant to this Agreement is subject to the Company' s Right of First Refusal and the Market Stand- Off Agreement under Section 10.1 and 10.2 of the Plan, respectively.

13. Regulatory Approvals. The vesting of the Restricted Stock shall be subject to the condition that if at any time the Committee or the Company shall determine in its discretion that the satisfaction of withholding tax or other tax liabilities, or the listing, registration, or qualification of any shares of Common Stock upon any securities exchange or quotation system or under any federal or state law, or the consent or approval of any regulatory body, is necessary or desirable as a condition of, or in connection with, such vesting, then in any such event such vesting shall not be effective unless such liabilities have been satisfied or such listing, registration, qualification, consent, or approval shall have been effected or obtained.

[Remainder of page intentionally blank. Signatures appear on the following page.]

IN WITNESS WHEREOF, the Committee has caused this Restricted Stock Agreement to be executed on behalf of the Company, and the Grantee has executed this Restricted Stock Agreement, all as of the day and year first above written.

APTERA MOTORS CORP.

By: _____
Name: _____
Title: _____

GRANTEE

_____
Name: _____

SCHEDULE A
TO
RESTRICTED STOCK AGREEMENT
BETWEEN
APTERA MOTORS CORP.
AND
[GRANTEE' S NAME]

Dated: _____

1. Number of Shares Subject to Award:_____Shares of Class B Common Stock.

2. Fair Market Value on Date of Grant: $_____per Share.

3. Date of Grant: _____

4. Restricted Stock Vesting Schedule: Restricted Stock is exercisable with respect to the number of shares indicated below on or after the date indicated next to the number of shares:

No. of Shares	Vesting Date

5. Effect of Termination of Service of Grantee (Choose One).[1]

( ) There are no modifications to the provisions of the Restricted Stock Agreement or the Plan regarding the effect of termination of services of Grantee.

( ) The following additional terms apply (check all that apply):

( ) Upon termination of services for Cause or voluntarily without the consent of the Company *(default rule under the Restricted Stock Agreement results in immediate forfeiture - any unvested Restricted Stock shall be forfeited and shall not vest):*

_____
_____

[1] *Note: The default provision in Section 5 of the Restricted Stock Agreement provides that if no indication of the effect of termination is made on this Schedule A, then termination for any reason shall result in the forfeiture of all unvested Restricted Stock.*

( ) Upon termination of services without Cause *(default rule under the Restricted Stock Agreement results in immediate forfeiture - any unvested Restricted Stock shall be forfeited and shall not vest)*:

_____
_____

( ) Upon termination of services upon retirement by Grantee at or after the normal retirement date, as prescribed by the Company from time to time *(default rule under the Restricted Stock Agreement results in immediate forfeiture− any unvested Restricted Stock shall be forfeited and shall not vest):*

_____
_____

( ) Upon death or Total and Permanent Disability of Grantee *(default rule under the Restricted Stock Agreement results in immediate forfeiture - any unvested Restricted Stock shall be forfeited and shall not vest)*:

_____
_____

( ) Upon the occurrence of a Corporate Transaction *(default rule under the Plan is that a Corporate Transaction does not automatically trigger an acceleration of vesting of any unvested Restricted Stock):*

_____
_____

6. Other Restrictions.

SCHEDULE B
TO
RESTRICTED STOCK AGREEMENT
BETWEEN
APTERA MOTORS CORP.
AND
[GRANTEE' S NAME]

STATEMENT OF ELECTION UNDER
SECTION 83(b) OF THE INTERNAL REVENUE CODE

This Statement of Election under section 83(b) of the Internal Revenue Code of 1986, as amended (the "IRC"), is submitted pursuant to Treasury Regulation § 1.83-2 but does not constitute an acknowledgement that IRC § 83 is applicable.

1. The taxpayer' s name, address and taxpayer identification number is as follows:

Full Legal Name: _____

Address: _____

_____

SSN: _____

2. The property with respect to which the election under IRC § 83(b) is made is the following number of shares of Class B Common Stock (the "Common Stock") in APTERA MOTORS CORP., a Delaware corporation (the "Company"):

_____ shares of Common Stock

3. The Common Stock issued to the taxpayer on_____, 20 ___ pursuant to a Restricted Stock Agreement.

4. The taxable year of the taxpayer for which this Statement of Election is made is the calendar year 20__.

5. The Common Stock is subject to the following vesting and forfeiture restrictions:

[Insert Description of vesting and forfeiture restrictions from Restricted Stock Agreement and what causes such restrictions to lapse.]

6. The fair market value of the Common Stock on the date of transfer (determined without regard to any lapse restrictions, as defined in Treas. Reg. § 1.83-3(i)) is $_____.

7. The taxpayer paid $_____for the Common Stock by exchange of other shares of Common Stock in the Company.

8. A copy of this statement as completed and executed has been furnished to the Company.

Signature:_____

Print Name:_____

Date Signed:_____, 20__

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Exhibit 6.2

TECHNOLOGY LICENSE AGREEMENT

dated

13 JANUARY 2022

by

CHERY NEW ENERGY AUTOMOBILE CO. LTD.,
Chery

and

APTERA MOTORS CORP.,
APTERA

Chery_____ Aptera_____

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Table of Contents

Chery_____ Aptera_____

TECHNOLOGY LICENSE AGREEMENT

This Technology License Agreement (this "**Agreement**") is made on 13 January 2022

Between

Chery New Energy Automobile Co. Ltd., a limited liability company duly incorporated and existing under the laws of People' s Republic of China and having its principal place of business at No. 226, Huajin South Road, High Tech Industrial Development Zone, Wuhu City, Anhui Province, PRC ("**Chery**"); and

Aptera Motors Corp., a corporation duly incorporated and existing under the laws of the State of Delaware, USA and having its principal place of business at 13393 Samantha Ave. San Diego, CA 92129 ("**APTERA**")

(each of Chery and APTERA are hereinafter individually referred to as a "**Party**" and together referred to as the "**Parties**").

Recitals

A. Chery is the owner or authorised licensee of certain intellectual property rights, non-patented technological know-how and data, patents and patent applications relating to the Applicable Parts (as defined below).

B. APTERA desires to obtain from Chery the right to use the Technology (as defined below) in respect of Applicable Parts in the Territory (as defined below), and Chery is willing to grant such right under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the Parties hereto agree to enter into this Agreement, upon the following terms and conditions:

1. INTERPRETATION

1.1 Definitions. In addition to any other defined terms contained elsewhere in this Agreement, the following capitalized terms shall have the following meanings:

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, grievance, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, judicial, regulatory or other, whether at law, in equity or otherwise.

"**Affiliate**" means, with respect to a specified Person, a Person that directly or indirectly Controls, is Controlled by or is under common Control with, the specified Person. In addition to the foregoing, if the specified Person is an individual, the term "Affiliate" also includes (a) the individual' s spouse, (b) the members of the immediate family (including parents, siblings and sons/daughters) of the individual or of the individual' s spouse, and (c) any legal entity, firm, company, corporation, association, partnership, trust, investment fund or entity that, directly or indirectly, is Controlled by or is created solely for the benefit of any of the foregoing individuals.

"**Applicable Parts**" means those parts and components selected from Chery' s electric vehicle models known as eQ1 and eQ5 and as listed in Schedule 1 and Schedule 2, which will be carried over or modified by APTERA for use in Aptera' s Solar Electrical Vehicles.

"**Aptera Business Activities**" means the design and development, homologation, manufacture, selling, and after-sales servicing of the Aptera' s Solar Electrical Vehicles by APTERA in the Territory.

Chery_____ **Aptera**_____

"**Aptera' s Solar Electrical Vehicles**" means the solar electrical vehicles with three wheels to be designed and developed by APTERA, which is scheduled to SOP on September 30, 2022 by APTERA.

"**Authorised Activities**" means the carrying over and modification of Applicable Parts for purposes of the Aptera Business Activities.

"**Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in the PRC and the State of California, USA.

"**Confidential Information**" shall have the meaning ascribed in Section 8.1.

"**Control**" of a Person (including for purposes of references to the terms "Controlling," "Controlled by" and "under common Control with") means ownership of more than fifty percent (50%) of the voting stock or share capital of a Person or the power, directly or indirectly, through the ownership of voting securities or by agreement, either to: (i) vote a majority of the securities having ordinary voting power; (ii) determine the majority of the members of the board of directors or board of officers of such Person; or (iii) direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"**Dispute**" shall have the meaning set forth in Section 15.9.

"**Effective Date**" means the date first written above in this Agreement.

"**Force Majeure**" shall have the meaning set forth in Section 13.2.

"**Governmental Authority**" means any national government, state, municipality, locality or other political subdivision thereof and any entity, body, agent, commission or court, whether domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government and any executive official thereof.

"**Insolvency Event**" means, with respect to any Person, a Person is unable to pay its debts; enters into liquidation (except for the purposes of a solvent amalgamation or reconstruction); is subject to the appointment of an administrator, provisional liquidator, or receiver over all or a significant part of its assets or takes or is subject to any similar action in consequence of a debt; ceases or threatens to cease trading or is dissolved; or any procedure analogous to any of the preceding matters occurs in any other jurisdiction with respect to that Person.

"**Intellectual Property Rights**" means (i) all trade names, logos, domain names, URL' s, websites, addresses and other designations, inventions (whether or not patentable), works of authorship, technical data, technologies, trade secrets, formulas, algorithms, processes, methods, schematics, computer software (in source code and/or object code form), patents, copyright, design rights, registered designs, trademarks, service marks (registered and unregistered), know how, rights in relation to databases, rights in confidential information and all other intellectual property rights of any sort throughout the world including all registrations and pending applications for such registrations and all revisions, extensions and renewals of any such rights; and (ii) all related rights including patent rights, author' s rights, copyrights, sui generis database rights, trade secrets rights, moral rights, and all other intellectual and industrial property rights of any sort throughout the world and all applications, registrations, issuance and the like with respect thereto.

"**Laws**" means any applicable federal, national, regional, state, provincial, local or foreign constitution, law, statute, treaty, rule, regulation, ordinance, code, binding case law, judgement, decree, notice, approval, similar action or decision of the foregoing by any Governmental Authority (including those relating to antitrust and trade regulation, environmental protection, hazardous waste disposal, health and safety, labor, employment, capital market regulations and zoning and building codes), which applies to a Party or any of

their respective assets, businesses, or activities, and any contract with any governmental authority relating to the compliance with any of the foregoing.

"**Losses**" means losses, damages, liabilities, fines, penalties, costs, charges, and expenses of whatever kind (including attorneys' or other fees, the costs of enforcing any right, and the cost of pursuing any insurance providers).

"**Non-Patented Technology**" means those non-patented trade secrets, know-how, databases, topography, mask works, processes, technical information, data, confidential information, specifications, drawings, records, documentation, works of authorship or other creative works, preventative maintenance schedules, algorithms, assembly processes, standards, logic diagrams, schematics and the like.

"**Parts Development Agreement**" means the parts development agreement to be entered into between APTERA and Chery (or its Affiliate) for the development of parts for the Aptera' s Solar Electrical Vehicles.

"**Parts Supply Agreement**" means the parts supply agreement to be entered into between APTERA and Chery for APTERA' s purchase from Chery (or its Affiliate) of parts for the assembly of Aptera' s Solar Electrical Vehicles.

"**Patented Technology**" means all inventions, utility models, products, methods, processes and other technology, which fall within any valid claim of any patent or patent application, whether filed before or after the Effective Date, along with any continuation, continuation-in- part, divisional, foreign counterpart or renewal or extension of any of the foregoing (Patent Filing), provided that such Patent Filing has not lapsed or been withdrawn, abandoned or finally rejected. For clarification and without limiting the foregoing, Patented Technology shall include inventions, utility models, products, methods, processes or other technology existing before or at the Effective Date, but for which a Patent Filing is made after the Effective Date.

"**Person**" means an individual, legal person or entity, corporation, company, firm, partnership, limited partnership, syndicate, trust, association or entity or Governmental Authority, political subdivision, agency of instrumentality of a Governmental Authority (whether or not having separate legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists).

"**PRC**" or "**China**" means the People' s Republic of China, and for the purpose of this Agreement only, excluding the province of Taiwan and the Hong Kong and Macau Special Administrative Region.

"**Quarter**" means each of the three-month periods ending on March 31, June 30, September 30 and December 31 of a calendar year.

"**Quarterly Report**" shall have the meaning set forth in Section 4.3.

"**Representatives**" means the employees, directors, officers, agents, subcontractors, shareholders, attorneys, advisors, successors and permitted assigns of a Party and its Affiliates respectively.

"**SOP**" means the start of production of the first Aptera' s Solar Electrical Vehicle to be sold.

"**Technical Documentation**" means the standards, specifications (including but not limited to DFMEA, DVP&R, SSTS, CTS, Native Catia Data and their equivalent), instructions, drawings, pictures, tapes and similar written material to be provided to APTERA relating to the Technology, which are listed in Schedule 1 and Schedule 2.

Chery_____ **Aptera**_____

"**Technical Documentation Certificate of Receipt**" shall have the meaning set forth in Section 3.3.

"**Technological Know-how and Data**" means all technical information (including the Technical Documentation) in whatever form (written, visual, electronic, magnetic or other media) or know-how, trade secrets and other information provided to APTERA in relation to the Applicable Parts or Technology.

"**Technology**" means the Patented Technology and Non-Patented Technology owned by or licensed to Chery (with the right to sublicense) which relate to the Applicable Parts, as set out in the Technical Documentation, as well as the Technological Know-how and Data that Chery agrees to include in the scope of license under this Agreement.

"**Term**" means the period specified in Section 11 or, if this Agreement shall be terminated prior to the expiration of such period, the period from the Effective Date to the date on which this Agreement is terminated (inclusive).

"**Territory**" means the North America, South America, European Union, South Africa, Australia and New Zealand.

"**Third Party**" shall mean any Person that is not a Party or an Affiliate of a Party.

"**Wholesale Unit**" means a unit of Aptera' s Solar Electrical Vehicle sold by APTERA to a distributor, dealer and/or end customer.

1.2 Interpretation. For purposes this Agreement, unless the specific context requires otherwise:

(a) The singular includes the plural and the plural includes the singular; words importing any gender include all other genders.

(b) References to any law, regulation or other statutory provision include reference to such law or regulation or provision as modified, amended, extended, replaced or re- enacted, whether before or after the date hereof.

(c) References to any document (including this Agreement) are references to that document as amended, consolidated, supplemented, novated or replaced from time to time.

(d) References to individuals, legal entities or parties include their respective permitted successors and assigns.

(e) References to "Sections" or "Schedules" are references to Sections or Schedules which form part of this Agreement, except as otherwise specifically indicated.

(f) The headings included in this Agreement and its Schedules are inserted for convenience only and shall not affect the construction of this Agreement.

(g) The words "include" and "including" shall be deemed to include "without limitation".

(h) The words "herein hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section or other subdivision.

(i) Where any word or phrase is given a defined meaning in this Agreement any other part of speech or other grammatical form of that word or phrase shall have a corresponding meaning.

(j) The words "directly or indirectly" mean directly or indirectly through one or more intermediary Persons (including an Affiliate) or through contractual or other legal

Chery_____ **Aptera**_____

arrangements, and "direct or indirect" shall have correlative meanings.

(k) The Recitals and Schedules constitute an integral part of this Agreement. In case of conflict between the provisions of the body of this Agreement and any Schedule, the provisions of the body of this Agreement shall prevail.

(l) Rights may be exercised or not, at their holder' s sole discretion.

(m) Whenever this Agreement refers to a number of days (other than Business Days), such number shall refer to calendar days. All periods of time and terms shall be counted excluding the date of the event that causes such period or term to begin and including the last day on which such period or term ends.

2. LICENSE AND SCOPE OF USE

2.1 Subject to APTERA' s full compliance with the terms and conditions set forth in this Agreement, Chery grants to APTERA, and APTERA hereby accepts, for the Term, a limited, non-transferable, non-sub licensable (except as provided in Section 2.2), and non-exclusive right and license to use the Technology only in connection with the Authorised Activities and only in the Territory.

2.2 APTERA may sublicense the Technology to suppliers of Applicable Parts of Aptera' s Solar Electrical Vehicles to the extent such suppliers require and solely for purposes of providing components or parts of Applicable Parts for Aptera' s Solar Electrical Vehicles, and authorized dealers of Aptera' s Solar Electrical Vehicles to the extent such dealers require and solely for purposes of providing after-sales services for Aptera' s Solar Electrical Vehicles. Except for the foregoing, APTERA may not sublicense the Technology or any of the rights provided in this Section 2 without Chery' s prior written consent.

2.3 Except as expressly set out in this Section 2 or permitted by Chery in writing, no other right or license is granted by Chery to APTERA by this Agreement and APTERA shall not use any other Intellectual Property Rights of Chery.

2.4 APTERA shall not make any representation or do any act which may be taken to indicate that it has any right, title or interest in or to the ownership or use of any of the Technology except under the terms of this Agreement, and APTERA hereby acknowledges that it acquires only the limited and temporary right to use the Technology and that it does not acquire any rights, title or interest, express or implied, in the Technology, but rather, Chery shall at all times retain all rights, title, interest, including the Intellectual Property Rights, in the Technology.

2.5 Chery reserves the right to use, sell or license any of the Technology at any time to other Persons, notwithstanding anything to the contrary herein.

2.6 APTERA shall not, and cause its Representatives not to, during the Term or any time after its expiration or termination for any reason, register or attempt or cause to be registered in any part of the world any of the Technology or any Intellectual Property Rights identical or substantially similar to any of the Technology.

2.7 APTERA shall not do or permit anything to be done in connection with its use of the Technology which would or could jeopardise or prejudice the right or title of Chery to the Technology. APTERA shall not assert any rights to or challenge Chery' s rights to the Technology.

2.8 APTERA shall be solely responsible and liable for the modification, development, change, improvement, enhancement or customization of the Applicable Parts.

Chery_____ **Aptera**_____

2.9 Each Party acknowledges that the Technology has great commercial value to Chery and that any breach of the restrictions referred to in this Section 2 may cause Chery irreparable damage for which a monetary indemnity may not be an adequate remedy. Accordingly, in addition to other remedies that may be available under this Agreement (including a right of termination and/or a claim for damages), Chery may seek and obtain injunctive relief against such a breach or threatened breach in any relevant country.

3. DELIVERY AND TECHNICAL DOCUMENTATION

3.1 Provided that Chery receives the first instalment payment according to Section 4.2 of this Agreement, Chery shall deliver to APTERA via electronic data transfer and/or Team Center System, the relevant Technical Documentation, which are set out in Schedule 1. Upon the delivery of the relevant Technical Documentation set out in Schedule 1, Chery shall promptly issue a notification of delivery to Aptera. Chery may also provide hardcopies of the Technical Documentation on a case-by-case basis as reasonably requested by APTERA, at APTERA' s cost. Such Technical Documentation shall be subject at all times to the confidential and security policy of Chery.

3.2 Until the date of SOP, upon the request of Aptera, Chery will deliver to APTERA via electronic data transfer and/or Team Center System, the relevant Technical Documentation, which are set out in Schedule 2. For the avoidance of doubt, APTERA will not be entitled to withhold any payment of license fees under this Agreement for the reason due to the provision of Technical Documentation which are set out in Schedule 2.

3.3 All Technical Documentation is provided to APTERA with "as is" status, without any express or implied warranties, which is the same as used by Chery at the date of delivery of the Technical Documentation.

3.4 APTERA shall promptly issue a certificate of receipt ("Technical Documentation Certificate of Receipt") to Chery within five (5) Business Days after receipt by APTERA of the Technical Documentation, which are set out in Schedule 1. Upon Chery' s receipt of the Technical Documentation Certificate of Receipt, or APTERA' s failure to issue such receipt within five (5) Business Days after receipt by APTERA of the Technical Documentation, Chery shall be deemed as having complied with its obligations under Section 3.1.

3.5 In the event that erroneous Technical Documentation is provided by Chery under this Agreement: (i) the Parties will meet to discuss remedies for erroneous information provided by Chery; and (ii) if Chery agrees that it provided erroneous information, Chery shall modify any such erroneous information and promptly inform APTERA in writing of such modification.

3.6 Each of Chery and APTERA shall appoint its liaison person who will be responsible for the delivery and receipt of the Technical Documentation respectively. The liaison person of Chery is Fu Fumei, and the liaison person of APTERA is Matt Bockman. A Party may change its liaison person by written notice to the other Party.

4. PAYMENT TERMS

4.1 In consideration of the rights granted by Chery to APTERA under this Agreement in respect of the Technology, APTERA shall pay to Chery license fees in two parts: 1) Fixed Fee; and 2) Royalties.

4.2 It is agreed between the Parties that the total amount of the Fixed Fee to be paid by APTERA to Chery is USD 2,000,000 in cash (the "Fixed Fee"). The Fixed Fee shall be divided into four equivalent instalments, i.e. USD 500,000 in cash for each instalment. APTERA shall consummate the payment in cash as set out below:

Chery_____ **Aptera**_____

a) within five Business Days after the execution of this Agreement by the Parties;

b) within five Business Days after thirty days after the execution of this Agreement by the Parties, provided that the Technical Documentation Certificate of Receipt has been issued by APTERA (or APTERA has failed to issue such receipt within five (5) Business Days after receipt by APTERA of the Technical Documentation);

c) Within five Business Days after execution of the Parts Supply Agreement and Parts Development Agreement.

d) Within five Business Days after the delivery of first batch of parts under the Parts Supply Agreement.

4.3 APTERA shall pay to Chery a running royalty, being **USD** 258 per Wholesale Unit of Aptera' s Solar Electrical Vehicles containing Aptera sourced parts from Chery (or its Affiliate) or from global suppliers utilizing original Chery-licensed Technology (the "Royalties"). For purpose of calculating the Royalties, after the SOP, APTERA shall within [five (5)] Business Days following the end of each Quarter send a sales report to Chery setting out (a) the number of Wholesale Units of Aptera' s Solar Electrical Vehicles in respect of that Quarter, and (b) the total amount of Royalties payable by APTERA in respect of that Quarter ("Quarterly Report"). The Royalties shall be invoiceable by Chery based on the Quarterly Report. APTERA shall make payment to Chery against the relevant invoices within 10 Business Days of Chery' s issuing the invoice.

4.4 APTERA shall keep true and accurate records and books of account containing all data necessary for the determination of Royalties payable. Chery or its duly authorized representative or accountant, shall be entitled, on reasonable notice, to inspect the records and books during business hours for the purpose of verifying the accuracy of the Quarterly Reports. Where Chery detects any error in the accounting of APTERA, APTERA shall reimburse Chery' s costs of investigating APTERA' s books reasonably attributable to the investigation which uncovered such error and shall immediately remedy any underpayment.

4.5 The license fee to be paid by APTERA to Chery, pursuant to the clauses hereinabove, shall be due and payable, in the designated bank account of and specified in writing to APTERA by Chery, by wire transfer.

4.6 The taxes outside China in connection with the payments of license fees under this Section 4 shall be borne and paid by APTERA.

4.7 All costs and charges applied or levied by APTERA' s bank in relation to the wire transfers / payments to be effected into Chery' s bank account by APTERA shall be borne by APTERA, and all costs and charges applied or levied by Chery' s bank in China, in relation to the payments to be effected into Chery' s designated bank account shall be borne by Chery.

5. WARRANTIES, INFRINGEMENT

Chery_____ **Aptera**_____

5.1 Chery represents and warrants to APTERA that it has the legal right, power and authority to enter into this Agreement and perform, assume and comply with all covenants and obligations undertaken by Chery hereunder.

5.2 APTERA represents and warrants to Chery that it has the legal right, power and authority to enter into this Agreement and perform, assume and comply with all covenants and obligations undertaken by APTERA hereunder.

5.3 APTERA shall notify Chery as soon as practicable in writing upon becoming aware of any Third Party infringing or appropriating Chery' s Technology in the Territory. Chery shall have the sole right to determine whether, and to what degree, to take Action regarding such infringement or appropriation of the Chery' s Technology. The cost of such Action shall be exclusively borne by APTERA and any recovery from such Action shall be payable solely to Chery, in the event of an infringement or appropriation of Chery' s Technology, and APTERA shall use its commercially reasonable efforts to co-operate with Chery in the taking of any such Action.

5.4 APTERA shall notify Chery as soon as practicable in writing if APTERA becomes aware that Chery' s Technology infringes a Third Party' s Intellectual Property Rights. APTERA and Chery shall use their commercially reasonable efforts to cooperate with each other to resolve such infringement, at APTERA' s cost.

5.5 If APTERA determines that it is possible to apply for or file for any Intellectual Property Rights in connection with the Technology licensed by Chery, APTERA shall notify Chery so that Chery may decide whether or not it wishes to apply for or file any such right. Under no circumstances shall APTERA be authorized to take any steps to apply for or file any such right in its own name. Applications for registration of rights relating to the Technology shall be at the sole cost of APTERA and made in the name of Chery.

5.6 Chery represents and warrants to APTERA, to the actual knowledge of Chery, as of the Effective Date of this Agreement, the Technology does not infringe the Intellectual Property Rights of any Third Party in the PRC.

6. LIABILITY

6.1 For the purposes of this Section, "liability" means any liability, including under statute, tort (including liability for negligence, misrepresentation or misstatement), contract (including liability under any indemnity) or otherwise (save that any exclusions or limitations of liability shall not apply in respect of fraud), and "liable" and "liabilities" shall be construed accordingly.

6.2 The Parties shall not be liable under or in connection with this Agreement for any loss of profit, incidental or indirect loss, special loss, consequential loss, exemplary damages (excluding any damages arising from Actions subject to indemnification under this Agreement), diminution in value, business interruption, cost of capital, or loss of business reputation or opportunity including loss or deferral of revenue, additional or other financing costs, loss of use or any loss in respect of business interruption, damage to reputation and goodwill, or loss of expected future business.

6.3 The aggregate liability of Chery and its Representatives in respect of all claims under or in connection with this Agreement or arising out of or in connection with any act, omission, event or circumstance or series of acts, omissions, events or circumstances relating to this Agreement shall in no circumstances exceed the aggregate amount of the license fee received by Chery for the immediate preceding 12 months period according to this Agreement.

Chery_____ **Aptera**_____

6.4 EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, CHERY MAKES NO REPRESENTATION, WARRANTY, OR ASSURANCE OF ANY KIND WHATSOEVER, WHETHER EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO THE TECHNOLOGY, THE TECHNICAL DOCUMENTATION, OR AS TO ANY CONDITION, PERFORMANCE, SATISFACTORY QUALITY, NON INFRINGEMENT OF THIRD PARTY RIGHTS, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, AND ALL SUCH REPRESENTATIONS, WARRANTIES, AND CONDITIONS ARE SPECIFICALLY EXCLUDED AND DISCLAIMED, INCLUDING ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OF MERCHANTABILITY. Other than as stated in this Agreement, Chery shall have no liability in relation to any Applicable Parts carried over or modified using the Technology or Aptera' s Solar Electrical Vehicles whether in relation to the quantity or quality of such carried over or modified Applicable Parts or Aptera' s Solar Electrical Vehicles or otherwise.

7. INDEMNIFICATION; INSURANCE; WAIVERS

7.1 APTERA agrees to indemnify and hold Chery and its Representatives harmless from and against all Losses actually incurred or suffered by Chery and its Representatives which arise from or in connection with (a) any breach by APTERA of its obligations under this Agreement, (b) any Action relating to any infringement or misuse of the Technology by APTERA or its Affiliates, (c) any Action brought against Chery for any use of any other technology by APTERA which was not previously authorized by Chery, or (d) any Action for bodily injury, property damage, product warranty, product liability or infringement of Intellectual Property Rights with respect to the Aptera Business Activities or any of Aptera' s Solar Electrical Vehicles.

7.2 In relation to any Action subject to indemnification under Section 7.1, Chery shall be entitled to assume and control the defence and settlement of the Action at the sole cost of APTERA and through counsel of Chery' s choice. APTERA shall cooperate with Chery in such defence and make available to Chery all witnesses, pertinent data, records, materials and information in APTERA' s possession or under APTERA' s control relating to the Action as is reasonably required by Chery.

7.3 In relation to any Action brought against APTERA, or jointly against APTERA and Chery, in relation to the Technology, APTERA shall inform Chery in writing and provide Chery with the claim letter or email, claim package, complaint, summons, disclosures, and any other documents included therewith, if available.

(a) Chery may elect, in its sole discretion, to assume and control the defence at the cost of APTERA if it gives written notice of its intention to do so to APTERA within thirty (30) days after receiving APTERA' s notice of such Action. In that event, APTERA may appoint its own participating non-controlling counsel with respect to such Action, at its own expense. Chery will keep APTERA apprised of all material developments regarding the Action being defended by Chery, will instruct its counsel to cooperate and consult with APTERA' s counsel, and will act in good faith and give reasonable consideration to the views of APTERA and its counsel in connection with the defence of such Action. Before Chery settles or determines to forego any right of appeal in connection with the Action pursuant to this Section 7.3, however, Chery shall give APTERA advance written notice of any proposed settlement or the foregoing of such right, and a reasonable opportunity to consent in writing to the settlement or the foregoing of such right (which consent will not be unreasonably withheld, delayed or conditioned).

(b) In the event APTERA is controlling the defence against any such Action, Chery may appoint its own participating non-controlling counsel and will cooperate with

Chery_____ **Aptera**_____

APTERA in such defence and make available to APTERA all witnesses, pertinent data, records, materials and information in Chery' s possession or under Chery' s control relating to the Action as is reasonably required by APTERA. No such Action may be settled prior to a final judgment thereon and no appeal may be foregone by APTERA without the prior written consent of Chery (which consent will not be unreasonably withheld, delayed or conditioned), unless Chery is released in full in connection with such settlement.

(c) Chery shall have no liability to APTERA for its defence of any Action or any actions taken or not taken by Chery in respect thereof.

7.4 APTERA shall maintain at all times, at its expense, adequate liability insurance relating to the Aptera Business Activities. APTERA shall name Chery and/or its Affiliates as an additional insured party on such policies. Upon a reasonable request by Chery, APTERA shall supply its relevant insurance certificates and policies showing the coverage required. Without limiting the generality of the foregoing, APTERA will maintain such insurance coverage at its own expense with insurance carriers rated A1 or better by Moody' s Insurance Financial Strength Rating or A.M. Best Company A‐ (VII) or better. APTERA shall maintain such insurance policies for the Term of this Agreement on terms and conditions that are satisfactory to Chery.

7.5 APTERA acknowledges and agrees that it is entering into this Agreement, and any transaction contemplated hereby, at its own risk, without any reliance on any representations, warranties, or undertakings by Chery.

8. CONFIDENTIALITY

Chery_____ **Aptera_____**

8.1 APTERA shall not divulge or make use of any Technology or other proprietary confidential information of Chery that is provided or made available to APTERA or that are otherwise acquired by or come into the possession of APTERA pursuant to this Agreement (collectively, the "**Confidential Information**") other than as expressly authorized under this Agreement. Confidential Information shall include all information that APTERA acquires from Chery or its Representatives or that comes into the possession of APTERA under the terms of this Agreement, whether developed by Chery or by others and whether patented or patentable, including the Technology and Technical Documentation.

8.2 The Parties agree and acknowledge that the Confidential Information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other Persons who can obtain economic value from its disclosure or use. APTERA shall use all reasonable best efforts to preserve the proprietary character of the Confidential Information and treat all information contained therein as confidential, and not remove or obscure Chery' s copyright or proprietary rights notices if any exist thereon. APTERA shall protect the Confidential Information from disclosure by using the same degree of care, but not less than reasonable best efforts, and security measures to prevent the unauthorized use, dissemination, or publication of the Confidential Information as APTERA uses to protect its own Confidential Information of a like nature.

8.3 Access to the use of the Confidential Information shall be restricted to those of APTERA' s Representatives who have a need to know information for the uses permitted hereunder and who agree to adhere to the obligations of confidentiality hereunder and are bound by legally enforceable written confidentiality agreements containing equivalent obligations. APTERA may disclose Confidential Information (i) pursuant to any request or order under applicable Laws and (ii) pursuant to a subpoena or other legal process, provided that APTERA shall notify Chery prior to such a disclosure so that Chery may seek a protective order. APTERA shall notify Chery of any actual or threatened breach of this confidentiality provision, and APTERA shall cooperate with Chery in enforcing such provisions.

8.4 If requested by Chery and upon expiration or termination of this Agreement, APTERA shall, subject to applicable Law, immediately return to Chery all Confidential Information, including materials, papers, records, documents, and the like of every kind, and any and all copies thereof, provided to APTERA in connection with this Agreement.

8.5 This Agreement imposes no obligation upon APTERA with respect to Confidential Information which (i) was in APTERA' s possession before receipt from Chery, (ii) is or becomes a matter of public knowledge through no fault of APTERA, (iii) is rightfully received by APTERA from a Third Party without a duty of confidentiality, or (iv) is disclosed by APTERA with Chery' s prior written approval.

8.6 Proprietary know-how will remain confidential in perpetuity and trade secrets shall remain confidential so long as they remain a trade secret

9. ASSIGNMENT AND SUBCONTRACTING

9.1 Except as expressly provided otherwise in this Agreement, APTERA shall not, without the prior written consent of Chery, assign, mortgage, create a security interest in, charge or dispose of this Agreement or any of its rights hereunder, or otherwise delegate any of its obligations under this Agreement. In particular, APTERA shall not create or grant any security interest in the Technology, nor shall it lease, sub-contract or sublicense the Technology to any other Person, unless otherwise agreed by Chery in writing prior to such sub-contract or sub-license taking place.

10. REGISTRATION AND EFFECTIVENESS

Chery_____ **Aptera_____**

10.1 If any authorisation or approval of, or filing, or completion of the performance of other procedures with a PRC governmental body are required, in connection with this Agreement, Chery shall use its reasonable efforts to obtain unconditional authorisations and approvals or to effect such filing or procedures. If any authorisation or approval of, or filing or completion of the performance of other procedures with a governmental body of the Territory are required in connection with this Agreement, APTERA shall use its reasonable efforts to obtain unconditional authorisations and approvals or to effect such filings or procedures. The Parties shall co-operate with each other in seeking all necessary government authorisations and approvals.

10.2 With respect to the authorisation or approval of the governmental bodies of the PRC or the Territory, if conditions are so imposed therewith that either Party believes that an amendment must be made to this Agreement that either party cannot accept, or if either or both of Chery and APTERA are ordered to make any such amendment, either party may immediately terminate this Agreement without any liability.

11. TERM

After being signed by both Parties, this Agreement shall come into force on the Execution Date. This Agreement shall remain fully valid and effective unless and until earlier terminated as provided under this Agreement or required by applicable Laws.

12. TERMINATION

12.1 Chery may terminate this Agreement by written notice to APTERA at any time if:

(a) any payment due from APTERA remains unpaid for a period in excess of sixty (60) Business Days following the due date for payment of such amount, and APTERA fails to pay such amount within thirty (30) Business Days following receipt of written notice giving full particulars of the outstanding amount and requiring it to be paid;

(b) an Insolvency Event occurs in respect of APTERA;

(c) APTERA breaches:

(i) any of its material obligations or restrictions under Section 2 in relation to the license grant; and/or

(ii) any of its obligations under Section 8 in relation to confidentiality;

(d) APTERA fails to meet the quality requirements in the Territory in respect of Aptera' s Solar Electrical Vehicles; or

(e) APTERA commits a material breach of its obligations under this Agreement and (where the breach is capable of being remedied) that breach has not been remedied within thirty (30) Business Days following receipt of written notice giving full particulars of the breach and requiring it to be remedied.

12.2 Aptera has the right to claim direct losses suffered by written notice to Chery if:

(a) Chery commits a material breach of its obligations under this Agreement and (where the breach is capable of being remedied) that breach has not been remedied within thirty (30) Business Days following receipt of written notice giving full particulars of the breach and requiring it to be remedied;

Chery_____ **Aptera**_____

(b) Chery delays the delivery of the Technical Documentation as set out in Schedule 1 for more than 30 Business Days;

(c) Chery maliciously refuses the request of Aptera to provide the Technical Documentation as set out in Schedule 2; or

(d) Chery unilaterally cease the license of the Technology under this Agreement without any cause.

12.3 Any termination pursuant to Section 12.1 will become effective immediately upon notice of the termination to APTERA.

12.4 No termination of this Agreement will prejudice a Party' s right to recover any sums due under this Agreement at the effective date of termination or prejudice any cause of action or claim either Party may have by reason of the other Party' s failure to meet its obligations under this Agreement.

12.5 Following expiration or termination of this Agreement for any reason:

(a) APTERA shall immediately cease any and all use of the Technology and Intellectual Property Rights of Chery, as well as cease carrying out the Authorised Activities,

(b) APTERA shall pay any outstanding amount owed to Chery under this Agreement;

(c) except for APTERA' s payment and confidentiality obligations under this Agreement and its indemnity under Section 7.1, all rights and obligations of the Parties with respect to each other hereunder shall cease;

(d) the license granted hereunder shall terminate immediately and automatically, and APTERA shall consent to cancellation of any record, if any, of APTERA as licensee of the Technology;

(e) all Technical Documentation and all other documents, including memoranda, pages and drawings, tapes, microfilm, computer diskettes or any electronic or other medium containing information on Chery' s Technological Know-how and Data and/or Technology together with any copies thereof, shall, as required by Chery in its sole discretion, be returned to Chery or destroyed by APTERA in the presence of Chery or its designee and a certificate of such destruction signed by the Chief Executive Officer (or equivalent) of APTERA shall be promptly provided to Chery;

12.6 The provisions of Sections 7.1, 7.2, 7.3, 8, 12, 14 and 15 shall survive the expiration or termination of this Agreement.

13. FORCE MAJEURE

13.1 Each Party will be excused from performing its obligations under this Agreement when substantially prevented by Force Majeure, but only after the Party claiming Force Majeure has served notice thereof on the other Party and then for no longer than the Force Majeure exists. The Party whose performance of this Agreement is affected by any Force Majeure event (the "Affected Party") shall provide the other with any evidence necessary to verify the occurrence of Force Majeure.

13.2 "Force Majeure" mean any event which: (i) is beyond the control of the Affected Party; (ii) is unforeseen or, if foreseen, is unavoidable; (iii) arises after the date of the execution of this Agreement; and (iv) prevents total or partial performance of this Agreement by any Party. Such events shall include, but not be limited to, floods, fires, droughts, typhoons, earthquakes or other natural disasters, transportation disasters, strikes, civil unrest or disturbance, acts of terrorism, riots and war (whether or not declared) provided that Force Majeure does not

Chery_____ **Aptera**_____

include any such Force Majeure event that is due to a Party' s wilful act, neglect or failure to take reasonable precautions against the relevant Force Majeure event.

13.3 In the event of a Force Majeure, the Affected Party shall use all reasonable endeavours to avoid or mitigate the effects of the event in question and shall, upon the cessation of the Force Majeure, use all reasonable endeavours to make up for any delay, which has occurred.

13.4 It is expressly agreed that each Party may terminate this Agreement upon notice to the other Party without liability in case of a Force Majeure situation lasting more than six (6) months.

13.5 Nothing in this Section shall relieve a Party of its obligation to make payments when due hereunder.

14. ADVERTISING; PUBLIC ANNOUNCEMENTS

14.1 Each Party shall not, and shall ensure that its Affiliates do not, use the other Party' s or any of its Affiliate' s name and logo for promoting their products in print and electronic media without prior written permission of the other Party.

14.2 No Party nor any of its Representatives shall (orally or in writing) publicly disclose, issue any press release or make any other public statement, or otherwise communicate with the media, concerning the existence of this Agreement or the subject matter hereof, without the prior written approval of the other Party, except if and to the extent that such Party (based upon the reasonable advice of counsel) is required to make any public disclosure or filing regarding the subject matter of this Agreement (a) by applicable Law or (b) in connection with enforcing its rights under this Agreement.

15. MISCELLANEOUS

15.1 No Partnership

Nothing in this Agreement is or shall be deemed to constitute a partnership between the Parties nor, except as may be expressly set out in it, constitute any Party the agent of the other for any purpose.

15.2 Further Assurances

Each Party agrees (at its own cost) to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as the other Parties may reasonably require to implement and/or give effect to this Agreement and the transaction contemplated by this Agreement.

15.3 Variation, waiver and consent

(a) No variation or waiver of any provision or condition of this Agreement shall be effective unless it is in writing and signed by or on behalf of each of the Parties (or, in the case of a waiver, by or on behalf of the Party waiving compliance).

(b) Unless expressly agreed in writing, no variation or waiver of any provision or condition of this Agreement shall constitute a general variation or waiver of any provision or condition of this Agreement, nor shall it affect any rights, obligations or liabilities under or pursuant to this Agreement which have already accrued up to the date of variation or waiver, and the rights and obligations of the Parties under or pursuant to this Agreement shall remain in full force and effect, except and only to the extent that they are so varied or waived.

Chery_____ **Aptera_____**

(c) Any consent granted under this Agreement shall be effective only if given in writing and signed by the consenting Party and then only in the instance and for the purpose for which it was given.

15.4 Entire Agreement

Subject to any terms implied by law, this Agreement represents the whole and only agreement between the Parties in relation to its subject matter and supersedes any previous agreement (whether written or oral) between all or any of the Parties in relation to the subject matter save that nothing in this Agreement shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

15.5 Notices

(a) Save as otherwise provided in this Agreement, any notice, demand or other communication to be given by any Party under, or in connection with, this Agreement shall be in writing in English and signed by or on behalf of the Party giving it. Any shall be served by sending it by email or fax to the number set out in Section 15.5(b), or delivering it by hand to the address set out in Section 15.5(b) and in each case marked for the attention of the relevant Party set out in Section 15.5(b) (or as otherwise notified from time to time in accordance with the provisions of this Section 15.5). Any notice so served by email, fax or hand shall be deemed to have been duly given or made as follows:

(i) if sent by email, at the time of transmission by the sender (as recorded on the device from which the sender sent the e-mail);

(ii) if sent by fax, at the time of transmission; or

(iii) in the case of delivery by hand, when delivered,

provided that in each case where delivery by email, fax or by hand occurs after 6:00 p.m. on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9:00 a.m. on the next following Business Day. References to time in this Section are to local time in the country of the addressee.

(b) The addresses and fax numbers of the Parties for the purpose of this Section are as follows:

Chery

Address: [No. 226, Huajin South Road, High Tech Industrial Development Zone, Wuhu City, Anhui Province, PRC]

Email: [***]

Fax: [***]]

For the attention of: [Mr. Rong Shengge]

APTERA

Address: [13393 Samantha Ave. San Diego, CA 92129, USA]

Email: [***]

Fax: [●]

Chery_____ **Aptera**_____

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For the attention of: [Mr. Jim Chyou]

Chery_____ **Aptera_____**

(c) A Party may notify the other Party of a change to its name, relevant addressee, address or fax number for the purposes of this Section, provided, that such notice shall only be effective on:

(i) the date specified in the notification as the date on which the change is to take place; or

(ii) if no date is specified or the date specified is less than five (5) Business Days after the date on which notice is given, the date following five (5) Business Days after notice of any change has been given.

(d) In proving service it shall be sufficient to prove that the envelope containing the notice was properly addressed and delivered to the address shown thereon or that the facsimile transmission was made and a facsimile confirmation report was received, as the case may be.

15.6 Costs

Each of the Parties shall be responsible for its own legal, accountancy and other costs, charges and expenses incurred in connection with the negotiation, preparation and implementation of this Agreement and any other agreement incidental to or referred to in this Agreement.

15.7 Severability

If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable in any respect under the law of any jurisdiction, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement. Any provision of this Agreement held invalid or unenforceable only in part or degree shall remain in full force and effect to the extent not held invalid or unenforceable. The Parties shall then use all reasonable endeavours to replace the invalid or unenforceable provision(s) by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

15.8 Governing Law

This Agreement shall be governed, interpreted and enforced in accordance with the Laws of the PRC, without regard to its principles of conflicts of law.

15.9 Dispute Resolution

(a) In the event of any dispute or claim arising out of or in connection with this Agreement, including any question regarding its existence, validity, interpretation, performance, breach or termination (the "**Dispute**"), the Parties shall attempt to resolve amicably and informally the Dispute. A Party may initiate informal negotiations to resolve the Dispute by giving written notice of such intent to the other Party.

(b) If the Dispute is not resolved within thirty (30) days of a Party giving written notice to the other in accordance with Section 15.9(a), such Dispute shall be referred to and finally resolved by arbitration administered by Singapore International Arbitration Centre ("**SIAC**") in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("**SIAC Rules**") for the time being in force, which rules are deemed to be incorporated by reference in this Section 15.9(b).

(i) The law of this Section 15.9 shall be PRC law

(ii) The seat of arbitration shall be Singapore.

Chery_____ **Aptera**_____

(i) The language of arbitration shall be English.

(ii) The arbitral tribunal shall consist of three arbitrators. Each Party shall appoint one arbitrator, and the Parties shall nominate a third arbitrator who shall act as the presiding arbitrator of the arbitral tribunal. Failing such nomination within fifteen (15) days from the appointment of the second arbitrator, the President of the Court of Arbitration of SIAC shall appoint the presiding arbitrator.

(iii) Despite the arbitration, to the extent applicable and permissible, any Party shall be entitled to seek interim relief, including injunctive relief, from a court of competent judicial authority, and this shall not be considered to be or construed as incompatible with, or a waiver of, the agreement to arbitrate as set out in this Section 15.9(b).

(iv) Judgment upon any award entered through arbitration may be entered in any court having jurisdiction or application may be made to any such court for judicial acceptance of the award and an order for enforcement, as the case may be. Each of the Parties hereby expressly and irrevocably waives any claim of immunity from jurisdiction or enforcement of the judgment which it may have on grounds of sovereign immunity or otherwise.

(v) The Parties to the arbitration shall bear their own costs and expenses.

(vi) The arbitration award shall be final, conclusive and binding on each Party and shall not be subject to any appeal and shall deal with the question of costs of arbitration and matters related thereto.

15.10 Copies

This Agreement may be executed in any number of copies and by the Parties on separate copies and each such copy shall constitute an original of this Agreement but all of which together constitute one and the same instrument. This Agreement shall not be effective until each Party has executed at least one copy.

[The remainder of this page is intentionally left blank.]

Chery_____ **Aptera**_____

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

Chery New Energy Automobile Co. Ltd.

Name:

Title: Authorized Representative

Aptera Motors Corp.

Name:

Title: Chairman & CEO

Chery_____ **Aptera_____**

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List of Schedules

Schedule 1: Initial Part of Applicable Parts and Technical Documentation

Schedule 2: Additional Part of Applicable Parts and Technical Documentation

The Company agrees to furnish supplementally a copy of any omitted exhibit to the U.S. Securities and Exchange Commission upon request.

Chery_____ **Aptera_____**

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Exhibit 6.3

Execution Version

AGREEMENT AND PLAN OF MERGER

by and among

ANDROMEDA INTERFACES INC.
("Company")

Brian Gallagher and Kevin Coelho
("Sellers")

THE REPRESENTATIVE NAMED HEREIN
("Sellers Representative")

APTERA MOTORS CORP.
("Parent")

And

APTERA MERGERCO, LLC
("Merger Sub")

April 1, 2022

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LIST OF EXHIBITS

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is entered into as of April 1, 2022, by and among each of Brian Gallagher, an individual and Kevin Coelho, an individual (the "Sellers"), Brian Gallagher, solely in his capacity as representative as set forth in this Agreement (the "Sellers Representative"), Andromeda Interfaces Inc., a California corporation (the "Company"), Aptera Motors Corp., a Delaware corporation ("Parent"), and Aptera Mergerco, LLC, a Delaware limited liability company ("Merger Sub"), which is a wholly-owned Subsidiary of Parent.

WHEREAS, the boards of directors and/or managers, respectively, of Company, Parent, and Merger Sub, and the Sellers have approved this Agreement and the merger of Company with and into Merger Sub upon the terms and conditions set forth in this Agreement and in accordance with Delaware Limited Liability Company Act and the California Corporation Code (the "Merger"). Merger Sub and Company are hereinafter sometimes referred to collectively as the "Constituent Corporations."

WHEREAS, each of Parent and the Sellers have approved this Agreement and the Merger.

WHEREAS, all of the capital stock in Company (the "Company Stock") are owned by the Sellers.

WHEREAS, the entire membership interest in Merger Sub (the "Merger Sub Equity Units") is owned by Parent.

WHEREAS, upon consummation of the Merger, the Sellers will subscribe for 251,087 class A common shares ("Common Shares") of Parent.

WHEREAS, the parties hereto intend that the Merger qualify as a "reorganization" described in Section 368(a)(2)(E) of the Code and that this Agreement (and any associated documents) constitute a "plan of reorganization" within the meaning of Treasury Regulation Section 1.368-2(g).

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties and covenants herein contained, and intending to be legally bound, the parties hereto hereby agree as follows:

ARTICLE 1
THE MERGER

1A. The Merger. On and subject to the terms and conditions contained herein, at the Effective Time, Merger Sub shall be merged with and into the Company, with the Company being the surviving company in the Merger (the Company, as the surviving company after the Merger, is sometimes referred to herein as the "Surviving Company").

1B. Consummation of the Merger. On the Closing Date, subject to satisfaction or waiver of the conditions specified in Article 5 hereof, Company and Merger Sub shall execute certificate of mergers, each in the forms of Exhibit B attached hereto (each a "Certificate of Merger") in accordance with the relevant provisions of the Delaware Act and the California Act and cause each Certificate of Merger to be filed with the Secretary of State for each of the State of Delaware and the State of California. The Merger shall be effective at such time as the Certificate of Merger is duly filed with the Secretary of State of each of the State of Delaware and the State of California or such later date and time as may be specified in the Certificate of Merger by mutual agreement of Company and Merger Sub (the "Effective Time").

1C. Effect of the Merger. The Merger shall have the effect as provided in the Delaware Act and the California Act, including that, upon the effectiveness of the Merger, (i) the separate existence of Merger Sub shall cease (except as may be continued by operation of law), (ii) Company shall be Surviving Company of the Merger, (iii) Surviving Company shall possess all of the rights, privileges, powers and franchises of each of the Constituent Corporations, and all property (real, personal and mixed) and all debts due to any of the Constituent Corporations in whatever amount, as well as all other things in action or belonging to each of the Constituent Corporations, shall be vested in Surviving Company, (iv) all property, rights, privileges, powers and franchises and each and every other interest shall be thereafter as effectually the property of Surviving Company as they were of the Constituent Corporations, and the title to any real estate vested by deed or otherwise in any of the Constituent Corporations shall not revert or be in any way impaired by reason of the Merger, and (v) all rights of creditors and all liens upon any property of any of the Constituent Corporations shall be preserved unimpaired, and all debts, liabilities and duties of the Constituent Corporations shall henceforth attach to Surviving Company and may be enforced against it to the same extent as if such debts, liabilities and duties had been incurred or contracted by it and Surviving Company shall timely pay such debts, liabilities and duties.

1D. Further Assurances. If, at any time after the Effective Time, Surviving Company shall consider or be advised that any further deeds, assignments or assurances in Law or any other acts are necessary, desirable or proper to vest, perfect or confirm, of record or otherwise, in Surviving Company the title to any property or right of the Constituent Corporations acquired or to be acquired by reason of, or as a result of, the Merger or to otherwise carry out the purposes of this Agreement or effect the Merger, Sellers and Parent shall, and Parent shall cause Surviving Company and its officers and directors to, execute and deliver all such deeds, assignments and assurances in Law and do all acts necessary, desirable or proper to vest, perfect or confirm title to such property or right in Surviving Company, and Sellers and Parent and the officers and directors of Surviving Company are fully authorized in the name of the Constituent Corporations or otherwise to take any and all such action solely for the purposes set forth in this Section 1D.

ARTICLE 2
SURVIVING COMPANY

2A. Articles of Incorporation. The Certificate of Merger shall provide that the articles of incorporation of Surviving Company as in effect immediately prior to the Effective Time shall be the articles of incorporation as in effect immediately after the Effective Time.

2B. Bylaws. The Bylaws of the Company, as in effect at the Effective Time, shall be the Bylaws of Surviving Company.

2C. Name. The name of the Company shall be the name of the Surviving Company.

2D. Directors. The directors of the Company, as of the Effective Time and until their respective successors are duly elected and qualified in the manner provided in the Articles of Incorporation and Bylaws of Surviving Company or until their earlier death, resignation or removal as otherwise provided by applicable Law, shall be the following: Chris Anthony and Steve Fambro.

2E. Officers. The officers of Company, as of the Effective Time and until their successors are duly elected and qualified in the manner provided in the Articles of Incorporation and Bylaws of Surviving Company or until their earlier death, resignation or removal as otherwise provided by applicable Law, shall be the following: Chris Anthony as President and Steve Fambro as Secretary.

ARTICLE 3
CONVERSION OF SECURITIES

3A. Conversion of Merger Sub Equity Unit. At the Effective Time, by virtue of the Merger and without any action on the part of Parent, Merger Sub, Sellers or Company, the Merger Sub Equity Units issued and outstanding immediately prior to the Effective Time shall be converted into fully paid and non-assessable common shares, no par value per unit, of Surviving Company.

3B. Conversion of Company Stock. At the Effective Time, by virtue of the Merger and without any action on the part of Parent, Merger Sub, Sellers or Company, each share Company Stock issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive validly issued, fully paid and non-assessable Common Shares of Parent in such amounts as are set forth herein. Parent shall cause the Company' s transfer agent to register on the Company' s books and records such Shares in the name of each Seller as set forth in the Letter of Transmittal, substantially in the form attached hereto as Exhibit C. Each unexercised Company option to purchase Company Stock (whether or not vested) that are then outstanding shall automatically be cancelled and retired and shall cease to exist. Prior to the Effective Time, Company shall take such steps as is necessary so that at the Effective Time all Company options then outstanding shall be cancelled. As of the Effective Time, Sellers shall cease to have any rights with respect to the Company Stock except the right to receive the Common Shares in accordance with the foregoing.

ARTICLE 4
CLOSING; PAYMENT OF MERGER CONSIDERATION

4A. Closing. On the terms and subject to the conditions set forth in this Agreement, the closing of the Merger and the transactions contemplated by this Agreement (the "Closing") shall be consummated immediately prior to the Effective Time by the exchange of signatures by PDF or other electronic transmission or, if such exchange is not practicable, at the offices of Eversheds Sutherland (US) LLP, 999 Peachtree Street, NE, Atlanta, Georgia 30309, at 10:00 a.m. local time, on the second Business Day following the satisfaction or waiver of the conditions set forth in Article 5 hereof (other than conditions which by their terms are to be performed at the Closing, provided that such conditions are satisfied at the Closing); provided that in no event shall the Closing take place prior to the fifth Business Day following the date hereof unless otherwise agreed in writing by Parent and Sellers Representative. The date on which the Closing shall occur is referred to herein as the "Closing Date." On the Business Day immediately prior to the Closing Date, Parent and Company shall conduct a pre-Closing at the same location as the Closing, commencing at 10:00 a.m. local time, at which each party shall present for review by the other parties copies in execution form of all documents required to be delivered by such party at the Closing. At the Closing, (i) Parent and Merger Sub shall deliver to Sellers and Company all of the certificates, instruments and documents required to be delivered by such Person under Section 5B in order for the conditions of Sellers and Company to be satisfied, (ii) Sellers and Company shall deliver to Parent and Merger Sub all of the certificates, instruments and documents required to be delivered by such Person under Section 5A in order for the conditions of Parent and Merger Sub to be satisfied.

4B. Closing Merger Consideration. The "Company Closing Merger Consideration" shall be payable to Sellers and equal to the sum 251,087 Common Shares.

4C. Closing of Transfer Books. At the Effective Time, the equity transfer books of Company shall be closed, and no transfer of Company Stock shall be made thereafter.

4D. Additional Earnout Amount. In addition to the Company Closing Merger Consideration, Sellers shall be eligible to receive an additional Earnout Amount as contemplated by this Section 4D.

(i) Definitions.

(a) "Actual Revenue" means all gross revenues generated in the ordinary course of business by the Company, which shall be recognized upon receipt of invoiced monies from customers.

(b) "Additional Earnout Amount" means the amount paid to Sellers for each Measurement Year, being $60,000 for the first Measurement Year, and $90,000 for the second Measurement Year.

(c) "Measurement Years" means each of the years ending on the first and second anniversary of the Closing Date.

(d) "Target Revenue" means with respect to the first Measurement Year, $500,000 and with respect to the second Measurement Year, $750,000.

(ii) Calculation. The Sellers will collectively earn an Additional Earnout Amount with respect to each Measurement Year to the extent the Actual Revenue for such Measurement Year is greater than the Target Revenue. Within ninety (90) days after the end of each Measurement Year, Parent shall prepare and provide to Sellers a written report (the "Revenue Report") that sets forth the Actual Revenue for such Measurement Year and the calculation of the Additional Earnout Amount earned with respect to such Measurement Year together with supporting detail. Parent shall cause its Chief Financial Officer to be reasonably available to discuss the Revenue Report with Sellers after its delivery. If Sellers object to the calculation of Actual Revenue and/or the Additional Earnout Amount for such Measurement Year, they shall give notice of their objection in writing no later than the forty-fifth (45th) day after delivery of the Revenue Report. If the parties are unable to agree as to all disputed aspects of the Revenue Report within thirty (30) days after notice of the good faith objection is given, then the aspects unresolved will be submitted to arbitration as provided in Section 9M below to resolve the dispute and make a determination that will be binding on the parties (it being expressly understood and agreed that if such objections cannot be resolved by mutual agreement, it is the intention of the parties that any such claim will be resolved by arbitration).

(iii) Payment. With respect to each Measurement Year in which Sellers earn Additional Earnout Amount, Parent shall pay such Additional Earnout Amount to Sellers no later than twenty (20) days following the final determination of the Additional Earnout Amount for such Measurement Year.

(iv) Acceleration Provision. If at any time prior to the second anniversary of the Closing Date, Parent sells all or substantially all of the assets used by the Company, or the Company undergoes a Change of Control (as defined below), Parent shall, no later than thirty (30) days following any such sale or Change of Control, pay to Sellers the Additional Earnout Amount for each remaining Measurement Year whether or not the Target Revenue has been achieved. For purposes of this subsection, a "Change of Control" of the Company shall occur if there is a merger, consolidation, transaction or series of transactions in which the shareholders of the Company immediately prior thereto own less than 50% of the capital stock of the surviving company immediately following such transaction. In addition, if the Additional Earnout Amount becomes payable as a result of a Change of Control or in the event a Seller is terminated without Cause (as defined below) or such Seller resigns with Good Reason (as defined below) (any such event, an "Acceleration Event"), such Additional Earnout Amount shall be increased in respect of each of the accelerated Measurement Years by an amount equal to the difference between (x) $360,000 and

(y) the number of months in such Measurement Year that have elapsed multiplied by $30,000, and then divided by two as needed to apply to each Seller who experiences an Acceleration Event.

4F. Options. In addition to the Company Closing Merger Consideration, the Sellers shall also be awarded such amount of stock options of Parent, as more particularly described in each Seller' s stock option agreement. In the event of any Acceleration Event, up to two (2) years' worth of stock options so awarded shall accelerate and become fully vested without further action. For purposes of this subsection, "Cause" means Employee' s (i) conviction of, or the entry of a plea of guilty or no contest to, a felony; (ii) gross negligence or willful misconduct with respect to the Company, including, without limitation fraud, embezzlement, or theft in the course of Employee' s employment; (iii) refusal to perform any lawful written instruction from the management of the Company and/or the Parent, which is reasonable and consistent with Employee' s position and scope of duties or a refusal to perform a material duty Employee has to the Company (other than due to a disability, as determined by Employee' s doctor) following written notice from the Company detailing such refusal; and (iv) material breach of any applicable employment agreement between the Seller and the Company and/or the Parent, or other legal duty owed to the Company hereunder and failure to cure any refusal specified in clause (iii) or breach specified in clause (iv) within fifteen (15) days after written notice from the Company specifying such failure or breach in reasonable detail. For purposes of this subsection, "Good Reason" means any one of the following: (i) the reduction of Employee' s base salary, target annual performance bonus or material reduction in employee benefits, (ii) the assignment to Employee of any duties materially and negatively inconsistent in any respect of Employee' s position (including status, offices, titles and reporting requirements), authority, duties or responsibilities, or any other action by the Company that results in a material diminution in the Employee' s position, authority, duties or responsibilities; or (iii) the Company' s material breach of this Agreement

4H. Other Agreements.

(i) At or prior to Closing, Sellers shall be entitled to withdraw from the Company all cash, which is in excess of $30,000, from the Company' s bank accounts for the sole benefit of Sellers.

(ii) At closing, Parent agrees to pay on behalf of and for the benefit of Sellers, Sellers' legal fees in an amount not to exceed $15,000, directly to Sellers' legal counsel by wire transfer in immediately available funds.

ARTICLE 5
CLOSING DELIVERABLES

5A. Conditions to Parent' s and Merger Sub' s Obligations. The obligation of Parent and Merger Sub to consummate the Merger is subject to the satisfaction, or waiver by Parent, of each of the following conditions as of immediately prior to the Effective Time:

(i) Simultaneously with Closing, Company shall have delivered to Parent (a) certified copies of the resolutions or consents of Company' s board of directors authorizing the execution, delivery and performance of this Agreement and the other agreements contemplated hereby and thereby; (b) the resignations, effective as of the Closing, of each member of the board of directors of Company; and (c) a good standing certificate for Company from its jurisdiction of incorporation, in each case dated not more than twenty (20) days prior to the Closing Date;

(ii) Simultaneously with Closing, each Seller shall have delivered to Parent (a) a Letter of Transmittal in the form attached hereto as Exhibit C; (b) to the extent a Seller is an entity, (I) certified copies of the resolutions or consents of each such Seller' s managers or board of

directors authorizing the execution, delivery and performance of this Agreement and the other agreements contemplated hereby and thereby; and (II) a good standing certificate for such Seller from its jurisdiction of organization, dated not more than twenty (20) days prior to the Closing Date; and (c) such other documents or instruments as are required to be delivered by Sellers at the Closing pursuant to the terms hereof;

(iii) Simultaneously with Closing, each Seller shall have delivered to Parent a properly completed IRS Form W-9 or IRS Form W-8, as applicable, and such other tax certifications as reasonably determined by the Parent to be necessary or appropriate.

(iv) Parent, Merger Sub, Sellers and Company, shall have received or obtained all governmental and regulatory consents, novations, approvals, licenses and authorizations listed on Schedule 5A(vi);

(v) Except as disclosed on Schedule 5A(vii), no Action shall be pending or overtly threatened in writing by or before any Governmental Entity or any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge would reasonably be expected to (a) prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby or declare unlawful any of the transactions contemplated hereby, (b) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (c) affect adversely the right of Parent to operate the businesses of or control Surviving Company, (d) affect adversely the right of Surviving Company to own their respective assets or control their respective businesses or (e) result in any material damages being assessed against Surviving Company, and no such injunction, judgment, order, decree or ruling shall have been entered or be in effect;

(vi) Company shall have submitted to Parent (a) documentation reasonably satisfactory to Parent from all advisors, investment bankers, lawyers, accountants and other professional advisors to Company in connection with the transactions contemplated by this Agreement evidencing which Company Expenses have been paid by Company in cash prior to the Closing, and (b) documentation reasonably satisfactory to Parent setting forth all Company Expenses that remain unpaid as of the Closing, including payoff instructions therefor; and

(vii) Company shall have given all required notices to third parties and obtained all required third party consents in connection with Company' s execution and performance of this Agreement, including, but not limited to, the written consent of the United States Small Business Administration and Guardian Piazza D' Oro LLC (as the Company' s landlord).

Unless otherwise specifically provided herein, all proceedings to be taken by Company or the Sellers Representative in connection with the consummation of the transactions contemplated hereby, and all agreements, certificates, instruments and other documents required to be delivered by Company or the Sellers Representative to effect the transactions contemplated hereby, shall be reasonably satisfactory in form and substance to Parent. Any condition specified in this Section 5A may be waived by Parent if such waiver is set forth in a writing duly executed and delivered by Parent to the Sellers Representative.

5B. Conditions to Sellers' and Company' s Obligations. The obligation of Sellers and Company to consummate the Merger is subject to the satisfaction, or waiver by each Sellers, of each of the following conditions as of immediately prior to the Effective Time:

(i) Simultaneously with Closing, Parent shall have delivered to Company and each Seller (a) certified copies of the resolutions or consents of Parent' s board of directors authorizing

the execution, delivery and performance of this Agreement and the other agreements contemplated hereby and thereby; (b) a good standing certificate for Parent from the Secretary of State of the State of Delaware dated not more than twenty (20) days prior to the Closing Date; and (c) certified copies of the unanimous written consent of Parent, as the sole member of Merger Sub, authorizing the execution, delivery and performance of this Agreement and the other agreements contemplated hereby and thereby;

(ii) No Action shall be pending before any Governmental Entity or any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge would reasonably be expected to (a) prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby or declare unlawful any of the transactions contemplated hereby or (b) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, and no such injunction, judgment, order, decree or ruling shall be in effect;

(iii) Parent, Merger Sub, Sellers and Company, shall have received or obtained all governmental and regulatory consents, novations, approvals, licenses and authorizations listed on Schedule 5A(vi);

(iv) Sellers shall have received or obtained from Parent or Company, employment agreements executed by Parent or Company; and

(v) If the Common Shares are certificated, then Sellers shall have received stock certificates representing the number of Common Shares equal to the Company Closing Merger Consideration.

Unless otherwise specifically provided herein, all proceedings to be taken by Parent and Merger Sub in connection with the consummation of the transactions contemplated hereby, and all agreements, certificates, instruments and other documents required to be delivered by Parent and Merger Sub to effect the transactions contemplated hereby, shall be reasonably satisfactory in form and substance to Sellers. Any condition specified in this Section 5B may be waived by each Seller and Company if such waiver is set forth in a writing duly executed and delivered by Sellers Representative to Parent.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF COMPANY

As an inducement to Parent and Merger Sub to enter into this Agreement, each of the Sellers hereby represents and warrant as of the date of this Agreement and as of the Closing Date as follows:

6A. Organization and Corporate Power. Company is a corporation duly incorporated validly existing and in good standing under the Laws of the State of California. To the extent that a failure to do so would cause a Material Adverse Effect on Company, Company is qualified to do business as a foreign entity and is in good standing in each jurisdiction in which its conduct of business or ownership of property requires it to qualify. Company has all requisite corporate power and authority necessary to own and operate its properties and to carry on its businesses as now conducted and presently proposed to be conducted and to execute and consummate the transactions contemplated by this Agreement. The copies of Company' s Organizational Documents, which have been each made available to Parent, reflect all amendments made thereto at any time prior to the date of this Agreement and are correct and complete in all material respects. The minute books and record books of Company are correct and complete in all material respects. Company is not in default under or in violation of any provision of its articles of organization or operating agreement. Schedule 6A of the Disclosure Schedule sets forth a list all of the officers and directors of Company.

6B. Company Stock.

(i) The authorized equity of Company consists of the Company Stock which are issued and outstanding and owned beneficially and of record by all of the Sellers. Company has not violated any securities Laws in connection with the offer, sale or issuance of the Company Stock. All of the Company Stock have been duly authorized and validly issued, and such Company Stock are owned free and clear of all Encumbrances (other than any Permitted Equity Liens) and are not subject to, nor were they issued in violation of, any purchase option, call option, right of first refusal or offer, co-sale or participation right, preemptive right, subscription right or similar right. There are no declared or accrued but unpaid dividends with respect to the Company Stock.

(ii) There are no outstanding securities, options, warrants, calls, rights, convertible or exchangeable securities or contracts or obligations of any kind (contingent or otherwise) to which Company is a party or by which it is bound obligating Company, directly or indirectly, to issue, deliver or sell, or cause to be issued, delivered or sold, additional Company stock or other securities of Company or obligating Company to issue, grant, extend or enter into any such security, option, warrant, call, right, contract or obligation. There are no outstanding obligations of Company (contingent or otherwise) to repurchase, redeem or otherwise acquire, directly or indirectly, any portion of the Company Stock (or options or warrants to acquire any such units), and there are no outstanding rights to cause Company to register its securities or which otherwise relate to the registration of any securities of Company. There are no outstanding unit-appreciation rights, unit-based performance units, “phantom” unit rights or other contracts or obligations of any character (contingent or otherwise) pursuant to which any Person is or may be entitled to receive any payment or other value based on the revenues, earnings or financial performance, unit price performance or other attribute of Company or its businesses or assets or calculated in accordance therewith (other than payments or commissions to sales representatives of Company based upon revenues generated by it without augmentation as a result of the transactions contemplated hereby, in each case in the ordinary course of business consistent with past practice). Except for Company’ s Organizational Documents, there are no agreements between the Sellers, on the one hand, and any other Person, on the other hand, with respect to the voting or transfer of the Company Stock or with respect to any other aspect of Company’ s affairs. Except as set forth on Schedule 6E of the Disclosure Schedule, there are no bonds, debentures, notes or other indebtedness of Company outstanding, whether convertible into any membership or equity interest of the Company or not.

6C. Subsidiaries. The Company does not have any Subsidiaries, and the Company has never had any prior Subsidiaries. Company does not own or hold the right to acquire any shares of stock or any other equity security in any other Person.

6D. Authorization; No Breach.

(i) The board of directors or managers of the Company and the Sellers (to the extent a Seller is an entity), by resolutions duly adopted at a meeting duly called and held, or by written consent in lieu of a meeting of the board of directors or managers of the Company and the Sellers, have unanimously (a) approved and authorized the execution and delivery of this Agreement, (b) approved the consummation of the transactions contemplated hereby, including the Merger, and (c) determined that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby are advisable. No other act (corporate or otherwise), other than the execution by Sellers of this Agreement, or other proceeding on the part of Company is necessary to authorize the execution, delivery or performance of this Agreement or the other agreements contemplated hereby and the consummation of the transactions contemplated hereby or thereby. This Agreement has been duly executed and delivered by Company and constitutes a valid and

binding obligation of Company enforceable in accordance with its terms. Each of the agreements contemplated hereby, when executed and delivered, shall have been duly executed and delivered by Company and constitute the valid and binding obligation of Company, enforceable in accordance with its terms. The consent of the board of directors of the Company and the Sellers are the only votes, consents, approval or other corporate actions of the holders of the Company Stock necessary to approve, authorize and adopt this Agreement, the Merger, the other agreements contemplated hereby and the other transactions contemplated hereby and thereby and to consummate the Merger and the other transactions contemplated hereby and thereby. The Sellers owns (beneficially and of record) 100% of the Company Stock.

(ii) Except as set forth on Schedule 6D(ii), the execution and delivery of this Agreement by Company and the consummation of the transactions contemplated hereby do not (a) conflict with or result in any breach of any of the provisions of, (b) constitute a default under (whether with or without the passage of time, the giving of notice or both), (c) give any third party the right to modify, terminate or accelerate any obligation under, (d) result in the creation of any Encumbrances upon any portion of the Company Stock or any assets of Company pursuant to or (e) require any authorization, consent, approval, exemption or other action by or notice to any Governmental Entity pursuant to (I) the provisions of the articles of incorporation or bylaws of Company, (II) any agreement, instrument, license, permit, judgment, order or decree to which Company is subject, or (III) any Law to which Company is subject. Company is not a party to or bound by any Contract with respect to a Company Transaction other than this Agreement, and each such Person has terminated all discussion with third parties (other than with Parent and its Affiliates) regarding Company Transactions.

6E. Financial Statements; Undisclosed Liabilities; Accounts Receivable.

(i) Complete copies of the Company' s unaudited financial statements consisting of the balance sheet of the Company as at December 31 in each of the years 2020 and 2021 and the related statements of income and retained earnings, stockholders' equity and cash flow for the years then ended (the "Financial Statements"), have been delivered to Parent. The Financial Statements are based on the books and records of the Company, and fairly present in all material respects the financial condition of the Company as of the respective dates they were prepared and the results of the operations of the Company for the periods indicated. The balance sheet of the Company as of December 31, 2021 is referred to herein as the "Balance Sheet Date".

(ii) The Company has not received any written complaint, allegation, assertion or claim regarding the accounting or auditing practices, procedures, methodologies or methods of Company or its internal accounting controls, including any written complaint, allegation, assertion or claim that Company has engaged in questionable accounting or auditing practices.

(iii) The Company does not and will not have any liabilities or obligations whatsoever (whether accrued, absolute, matured or unmatured, known or unknown, fixed or contingent or otherwise, and whether due or to become due and regardless of when or by whom asserted), other than those incurred in the ordinary course of business.

(iv) Except as set forth on Schedule 6E of the Disclosure Schedule, the Company does not have any Indebtedness.

6F. Absence of Certain Developments. Since the Balance Sheet Date, Company has conducted its business only in the ordinary course of business consistent with past practice. Except as set forth in Schedule 6F of the Disclosure Schedule, since the Balance Sheet Date, Company has not:

(i) amended its articles of incorporation, bylaws or other Organizational Documents;

(ii) issued or sold any of its capital stock or equity securities, securities convertible into its capital stock or equity securities, or warrants, options or other rights to purchase its capital stock or equity securities;

(iii) entered into, amended or terminated any Company Major Contract, entered into any other material transaction, whether or not in the ordinary course of business or consistent with past practice, or changed in any significant respect any business practice (in anticipation of the transactions contemplated hereby or otherwise);

(iv) acquired (by merger, consolidation, acquisition of stock or assets or otherwise) or organized any Person, (a) acquired any rights, assets or properties other than in the ordinary course of business consistent with past practice or (b) acquired any equity interest or other securities of any Person;

(v) sold, assigned, transferred, leased, licensed or otherwise encumbered any of its material tangible assets, or canceled any material debts or claims;

(vi) made any change in any method of accounting or accounting policies;

(vii) made or changed any Tax election or change any method of tax accounting, (a) settled or compromised any federal, state, local or foreign Tax liability, (b) filed any amended Tax return, (c) entered into any closing agreement relating to any Tax, (d) agreed to an extension of a statute of limitations or (e) surrendered any right to claim a Tax refund; or

(viii) agreed, whether orally or in writing, to do any of the foregoing.

6G. Good Title to Assets. Company has good and valid title to, or a valid leasehold interest in, all of its Assets. All such Assets (including the Leased Real Property) are free and clear of all Encumbrances and except as set forth on Schedule 6G of the Disclosure Schedule. The Companies' Assets are sufficient in all material respects for the Companies to continue the conduct of the Business in the same manner as currently conducted.

6H. Tax Matters.

(i) The Company has timely filed all Tax Returns required to be filed by it, each such Tax Return has been prepared in compliance with all applicable Laws, and all such Tax Returns are true, correct and complete. All Taxes required to have been paid by Company have been paid. Company has withheld and paid over to the appropriate taxing authority all Taxes which they are required to withhold from amounts paid or owing to any employee, independent contractor, stockholder, creditor, or other third party.

(ii) Except as set forth in Schedule 6H(ii) of the Disclosure Schedule:

(a) the Company has not requested or been granted an extension of the time for filing any Tax Return which has not yet been filed;

(b) the Company has not waived any statute of limitation in respect of Taxes or consented to extend the time in which any Tax may be assessed or collected by any taxing authority;

(c) no deficiency or proposed adjustment which has not been settled or otherwise resolved for any amount of Tax has been proposed, asserted or assessed by any taxing authority against Company;

(d) there is no action, suit, taxing authority proceeding or audit with respect to Taxes now in progress, or to Sellers' knowledge, pending or threatened against or with respect to Company;

(e) no written claim has ever been made by a taxing authority in a jurisdiction where Company does not file Tax Returns that Company is or may be subject to taxation by that jurisdiction;

(f) Company is not a party to or bound by any Tax allocation or Tax sharing agreement other than a lease, license or loan agreement or similar agreement the principal subject matter of which is not Taxes;

(g) Company (A) has not been a member of an Affiliated Group filing a consolidated federal income Tax Return and (B) has no liability for the Taxes of any Person under Treasury Regulation § 1.1502-6 (or any similar provision of Law), or as a transferee or successor, by contract, or otherwise;

(h) the Company has not constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock intended to qualify for tax-free treatment under Section 355 of the Code;

(i) the Company has been a validly electing S corporation within the meaning of Sections 1361 and 1362 of the Code at all times during its existence, and the Company will be an S corporation up to and including the day before the Closing Date;

(j) The Company is not subject to any tax under Section 1374 of the Code;

(k) the Company has not disposed of, and has no intention to dispose of, any assets outside the ordinary course of business in connection with the transactions contemplated hereby;

(l) the Company has not engaged in a "reportable transaction" within the meaning of Section 1.6011-4(b) of the Treasury Regulations; and

(m) the Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any:

(1) change in method of accounting for a taxable period ending on or prior to the Closing Date;

(2) use of an improper method of accounting for a taxable period ending on or prior to the Closing Date;

(3) ‘ ‘closing agreement’ ’ as described in Section 7121 of the Code (or any corresponding or similar provision of state, local, or non-U.S. income Tax law) executed on or prior to the Closing Date;

(4) intercompany transaction or excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local, or non-U.S. income Tax law);

(5) installment sale or open transaction disposition made on or prior to the Closing Date;

(6) prepaid amount received on or prior to the Closing Date; or

(7) election under Section 108(i) of the Code.

6I. Company Major Contracts. Schedule 6I of the Disclosure Schedule lists each of the following Contracts of the Company (such Contracts, together with all Contracts concerning the occupancy, management or operation of any Real Property (including without limitation, brokerage contracts), being “Major Contracts”).

6J. Intellectual Property. The Company does not own, and has never owned, any Intellectual Property Rights.

6K. Legal Proceedings. Except as set forth in Schedule 6K of the Disclosure Schedule, there are no (and, during the five years preceding the date hereof, there have not been any) Actions pending or, to the knowledge of Company, threatened in writing against Company (or to the knowledge of Company, pending or threatened in writing against any of the officers, directors or employees of Company with respect to their business activities relating the Company), or pending or threatened in writing by Company against any Person, at law or in equity, or before or by any Governmental Entity. Company is not subject to any judgment, order or decree of any Governmental Entity. There are no Actions pending or, to the knowledge of Company, threatened in writing against or affecting Sellers or Company that seek to restrain or prohibit or to obtain damages or other relief in connection with the transactions contemplated hereby.

6L. Brokerage. There are no claims for brokerage commissions, finders fees, or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of Company.

6M. Employee Benefit Plans. The Company does not have and has never had any “employee benefit plan” (as such term is defined under Section 3(3) of ERISA, each employee bonus, deferred compensation, retirement, severance, sick leave, health, welfare, profit sharing, vacation or paid-time-off, stock purchase, stock option, equity incentive or other employee benefit plan, program, agreement or arrangement, maintained, sponsored, or contributed to by Company, or with respect to which Company has any liability or potential liability) (“Employee Benefit Plans”).

(i) Company does not have any liability or obligation to contribute to any “multiemployer plan” (as defined in Section 3(37) of ERISA) or other plan subject to Title IV of ERISA.

(ii) Company has no obligation under any Employee Benefit Plan or otherwise to provide medical, health, life insurance or other welfare type benefits to current or future retired or terminated employees (except for limited continued medical benefit coverage required to be provided under Section 4980B of the Code or other applicable Law for which the covered individual pays the full cost of coverage).

(iii) For purposes of this Section 6M, the term "Company" includes any Person that, at any relevant time, would be treated as a single employer with Company pursuant to Section 414 of the Code.

6N. Insurance. Schedule 6N of the Disclosure Schedule contains a true and complete list of all insurance policies to which Company is a party or which provide coverage to or for the benefit of or with respect to Company or any director or employee of Company in his or her capacity as such (the "Insurance Policies"), indicating in each case the type of coverage, name of the insured, the insurer, the premium, the expiration date of each policy and the amount of coverage. Company has delivered to Parent true and complete copies of all such Insurance Policies. Schedule 6N of the Disclosure Schedule also describes any self-insurance or co insurance arrangements by or affecting Company including any reserves established thereunder. Each Insurance Policy is in full force and effect and shall remain in full force and effect in accordance with its terms following the Closing, and Company is not in default with respect to its obligations under any of such Insurance Policies. Company is current in all premiums or other payments due under the Insurance Policies and has otherwise complied in all material respects with all of their obligations under each Insurance Policy. Company has given timely notice to the insurer of all material claims that may be insured thereby. To the knowledge of Company, no Insurance Policy provides for any retrospective premium adjustment or other experience-based liability on the part of Company. The Company has received no written notice from an insurance carrier of Company that such insurance carrier is insolvent. The Company has not received any reservation of rights letters from its insurance carriers.

6O. Compliance with Applicable Laws.

(i) Company has complied in all material respects with all Laws of any Governmental Entity applicable to Company. Company has not received any written communication from a Governmental Entity that alleges that Company is not in compliance with any Law, and to the knowledge of Company, Company has not been subject to any adverse inspection, audit, finding, investigation, penalty assessment, or other compliance or enforcement action. Company has not made any bribes, kickback payments or other similar improper payments of cash or other consideration, including payments to customers or clients or employees of customers or clients for purposes of doing business with such Persons.

(ii) Company holds and is in compliance in all material respects with all permits, licenses, bonds, approvals, certificates, registrations, accreditations and other authorizations of all Governmental Entities required for the conduct of its business and the ownership of its properties (collectively, the "Permits"), and Schedule 6O(ii) of the Disclosure Schedule sets forth a list of all of such Permits.

6P. Employees. The Company does not have, and it has never had, any employees other than the Sellers.

6Q. Affiliate Transactions. No officer, member, manager or Affiliate of Company or, to Company' s knowledge, any individual related by blood, marriage or adoption to any such individual or any entity in which any such Person or individual owns any beneficial interest, is a party to any agreement, contract, commitment or transaction with Company (other than Company' s Organizational Documents) or

has any interest in any assets or property used by Company. Except as set forth and described in Schedule 6Q of the Disclosure Schedule, none of the assets, tangible or intangible, or properties that are used by Company are owned by Sellers or their Affiliates (other than Company).

6R. Bank Accounts; Names and Locations. Schedule 6R of the Disclosure Schedule lists all of Company' s bank accounts (designating each authorized signatory and the level of each signatory' s authorization). Except as set forth in Schedule 6R of the Disclosure Schedule, during the five-year period prior to the execution and delivery of this Agreement, neither Company nor its predecessors has used any name or names under which it has invoiced account debtors, maintained records concerning its assets or otherwise conducted business. All of the depository and investment accounts of Company are located at the locations set forth in Schedule 6R of the Disclosure Schedule.

6S. No Restrictions on the Merger. No provision of Company' s Organizational Documents (i) would or would purport to impose restrictions which might adversely affect or delay the consummation of the transactions contemplated by this Agreement or (ii) as a result of the consummation of the transactions contemplated by this Agreement or the acquisition of securities of Company or Surviving Company by Parent (A) would or would purport to restrict or impair the ability of Parent to vote or otherwise exercise the rights of a member with respect to securities of Company that may be acquired or controlled by Parent or (B) would or would purport to entitle any Person to acquire securities of Company.

6T. Common Shares of Parent.

(i) Sellers understand and acknowledge that (a) the Common Shares of the Parent have not been registered under the Securities Act and, therefore, cannot be resold unless it is registered under the Securities Act, or unless an exemption from registration is available, (b) there is no existing U.S. public market for the Common Shares, and there can be no assurance that Sellers will be able to sell or dispose of the Common Shares, and (c) Sellers are knowledgeable, sophisticated and experienced in business and financial matters, are experienced in evaluating investments in companies such as Parent and each qualifies as an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act;

(ii) the Common Shares to be acquired pursuant to this Agreement by each of the Sellers are being acquired for each such Sellers' own account, for investment purposes, and without a view to any distribution thereof that violates the Securities Act or the securities laws of any State of the United States or other applicable jurisdiction;

(iii) Sellers have been afforded access to information about Parent and the financial condition, results of operations, business, property and management of Parent that is sufficient to enable Sellers to evaluate their investment in the Common Shares. Sellers have reviewed the financial statements of the Parent and such other documents as Sellers or have reasonably deemed advisable. Sellers and their advisors, if any, have been afforded the opportunity to ask questions of Parent. Sellers have sought such accounting, legal and tax advice as Sellers considered necessary to make an informed investment decision with respect to its acquisition of the Common Shares; and

(iv) Sellers understand that an investment in the Common Shares involves a high degree of risk and such Common Shares are, therefore, a speculative investment. Sellers are able to bear the economic risk of its investment in the Common Shares for an indefinite period of time, and are presently able to afford the complete loss of such investment.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES
OF PARENT AND MERGER SUB

As an inducement to Sellers and Company to enter into this Agreement, Parent and Merger Sub hereby represent and warrant as of the date of this Agreement and as of the Closing Date as follows:

7A. Organization and Corporate Power. Parent is a corporation validly existing and in good standing under the Laws of the State of Delaware. Parent has all requisite power and authority to execute and deliver this Agreement and to perform its respective obligations hereunder. Merger Sub is a limited liability company validly existing and in good standing under the Laws of the State of Delaware. Merger Sub is a newly-formed entity that has been formed solely for the purposes of the Merger and has not carried on any business or engaged in any activities other than those reasonably related to the Merger.

7B. Authorization; No Violation.

(i) The execution, delivery and performance by Parent and Merger Sub of this Agreement and all of the other agreements and instruments contemplated hereby to which Parent or Merger Sub is a party and the consummation of the transactions contemplated hereby have been duly and validly authorized by Parent and Merger Sub, as applicable, and no other act or proceeding on the part of Parent or Merger Sub, their respective boards of directors or managers or equity holders is necessary to authorize the execution, delivery or performance of this Agreement and all of the other agreements and instruments contemplated hereby to which Parent or Merger Sub is a party and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by Parent and Merger Sub and constitutes a valid and binding obligation of Parent and Merger Sub, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws affecting the enforceability of creditors' rights generally and the discretion of courts in granting or denying equitable remedies, and each of the other agreements and instruments contemplated hereby to which Parent or Merger Sub is a party, when executed and delivered by Parent or Merger Sub, as applicable, in accordance with the terms hereof, shall each constitute a valid and binding obligation of Parent or Merger Sub, as applicable, enforceable with its respective terms, subject to applicable bankruptcy, insolvency and other laws affecting the enforceability of creditors' rights generally and the discretion of courts in granting equitable relief.

(ii) Neither Parent nor Merger Sub is subject to or obligated under its Organizational Documents, or any applicable Law of any Governmental Entity, or any agreement, instrument, license or permit, or subject to any order, writ, injunction or decree, which would be breached or violated by its execution, delivery or performance of this Agreement or the consummation of the transactions contemplated hereby.

7C. Consents. No permit, consent, approval or authorization of, or declaration to or filing with, any Governmental Entity or any other Person is required in connection with the execution, delivery or performance of this Agreement by Parent or Merger Sub or the consummation by Parent or Merger Sub of the transactions contemplated hereby.

7D. Vote Required. Parent, as the sole member and member-manager of Merger Sub, has approved and adopted this Agreement. Additionally, the Parent' s board of directors have approved this Agreement and approved the transactions contemplated hereby.

7E. Brokerage. There are no claims for brokerage commissions, finders fees, or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of Parent or Merger Sub.

7F. Tax Representations. Parent is a corporation organized under the laws of the State of Delaware. Merger Sub is a limited liability company organized under the laws of the State of Delaware. For the taxable period of Parent that includes the Closing, Parent will file its U.S. federal income tax return on the basis that (i) Parent is as a U.S. corporation for U.S. tax purposes and (ii) Merger Sub has made an election effective prior to the Closing Date to be taxable as a corporation for U.S. federal income tax purposes pursuant to Treasury Regulation 301.7701-3(c).

7G. Common Shares. The Common Shares, when issued, will be validly issued, fully paid and nonassessable. The Common Shares will not be subject to any restrictions on transfer other than as set forth in the Organizational Documents of the Parent or as required pursuant to applicable securities Laws. Parent has a total authorized capitalization consisting of (i) 190,000,000 shares of common stock, of which 57,959,259 shares are issued and outstanding, and (ii) 7,044,709 shares of common stock are subject to SAFE conversions and no other options, warrants, subscriptions or purchase rights of any nature to acquire from the Company shares of capital stock or other securities are authorized, issued or outstanding, nor is the Company obligated in any other manner to issue shares of its capital stock or other securities except as contemplated by this Agreement.

7H. Litigation. There is no pending action, suit, proceeding, arbitration, mediation, complaint, claim, charge or investigation before any court, arbitrator, mediator or governmental body or, to the Parent' s knowledge, currently threatened in writing (i) against the Parent or (ii) against any consultant, officer, director or key employee of the Parent arising out of his or her consulting, employment or board relationship with the Company or that could otherwise materially impact the Company.

7I. Accuracy of Information Furnished. None of the documents and none of the other certificates, statements or information furnished to Sellers by or on behalf of the Parent in connection with this Agreement or the transactions contemplated thereby contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE 8
ADDITIONAL AGREEMENTS

8A. Survival of Representations and Warranties. The representations and warranties in this Agreement and the Schedules and Exhibits attached hereto shall survive the Closing as follows:

(i) the representations and warranties in Section 6H (Tax Issues) and Section 6M (Employee Benefit Plans) shall terminate ninety (90) days after the date upon which the applicable statute of limitations with respect to the liabilities in question expires (after giving effect to any extensions, mitigation or waivers thereof);

(ii) the following representations and warranties shall survive indefinitely after the Closing Date: (a) Section 6A (Corporate Organization and Corporate Power), Section 6B (Company Membership Units), Section 6D(i) (Authorization), Section 6L (Brokerage) (and together with the representations and warranties set forth in Section 6H (Tax Issues) collectively the "Company Fundamental Representations and Warranties"); (b) Section 7A (i) (Corporate Organization and Corporate Power), Section 7B(i) (Authorization), Section 7E (Brokerage), and Section 7G (Common Shares of Parent) (collectively the "Parent Fundamental Representations and

Warranties"; and together with Company Fundamental Representations and Warranties the "Fundamental Representations and Warranties"); and

(iii) all other representations and warranties in this Agreement shall terminate on the date that is twenty-four (24) month anniversary following the Closing Date.

(iv) The parties acknowledge that the time periods set forth in this Section 8A for the assertion of claims under this Agreement are the result of arms' -length negotiation among the parties and that they intend for the time periods to be enforced as agreed by the parties; provided that any representation or warranty in respect of which indemnity may be sought under this Section 8A, and the indemnity with respect thereto, shall survive the time at which it would otherwise terminate pursuant to this Section 8A if notice of the inaccuracy or breach or potential inaccuracy or breach thereof giving rise to such right or potential right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time (regardless of when the Losses in respect thereof may actually be incurred). The representations and warranties in this Agreement or in the certificates and documents furnished pursuant to this Agreement shall survive for the periods set forth in this Section 8A and shall in no event be affected by any investigation, inquiry or examination made for or on behalf of any party, or the knowledge of any party' s officers, directors, members, stockholders, employees or agents or the acceptance by any party of any certificate or opinion hereunder.

8B. Indemnification by Sellers.

(i) Sellers (severally and jointly) (the "Seller Indemnifying Parties") shall indemnify the Parent Parties and save and hold each of them harmless against and pay on behalf of or reimburse the Parent Parties for any Losses that are the responsibility of Sellers under Section 8F and for any Losses as and when incurred which any such Parent Party sustain or become subject to as a result or by virtue of: (a) any breach by a Seller or Company of any representation or warranty made by a Seller or Company in this Agreement or any of the certificates furnished by Sellers or Company pursuant to this Agreement (other than any Company Fundamental Representation and Warranty); (b) any breach by a Seller or Company of any the Company Fundamental Representations and Warranties; (c) any breach of any covenant by a Seller or Company in this Agreement or any of the certificates furnished by Sellers or Company pursuant to this Agreement; (d) the amount of all Company Expenses or Indebtedness that has not been paid at or prior to Closing and that are not reflected on Schedule 6E); or (e) any of the matters set forth on Schedule 8B(e) attached hereto.

(ii) The obligations and liabilities of each Seller under this Agreement are joint and several. No Seller shall have any liability under Section 8B(i) for, nor shall any Seller have any liability for, another Seller' s breach of representation or warranty or for another Seller' s breach of any covenant in this Agreement or any of the certificates furnished pursuant to this Agreement. The aggregate liability of each Seller under this Agreement shall be limited to $240,000, except in the case of fraud or willful misconduct.

(iii) To the extent reasonably curable within thirty (30) days, prior to seeking indemnification with respect to any matter subject to Section 8B, the Parent Parties shall give the

Seller Indemnifying Parties at least thirty (30) days prior written notice of such matter and the opportunity to cure during such thirty (30)-day period.

8C. Indemnification by Parent Parties.

Parent Parties agree to and shall indemnify Seller Parties and save and hold each of them harmless against and pay on behalf of or reimburse each Seller Party for any Losses as and when incurred which any such Seller Party may suffer, sustain or become subject to as a result or by virtue of: (a) any breach by Parent or Merger Sub of any representation or warranty made by Parent or Merger Sub in this Agreement or any of the certificates furnished by Parent or Merger Sub pursuant to this Agreement or (b) any breach of any covenant by Parent or Merger Sub in this Agreement or any of the certificates furnished by Parent or Merger Sub pursuant to this Agreement. The aggregate liability of the Parent Parties under clause (a) of this Section 8C (other than with respect to the Parent Fundamental Representations and Warranties, for which no such following limitation shall apply) shall in no event exceed $1,000,000. For the avoidance of doubt, the limitation in the previous sentence shall not apply to and shall not limit any of the Seller Parties' remedies with respect to any Parent Fundamental Representations and Warranties, any liability under clause (b) of this Section 8C, or any fraud or willful misconduct of any Parent Party.

8D. Indemnification Payments.

(i) Any amounts owing from Sellers pursuant to this Article 8B shall first be satisfied by setoff against the Common Shares, and, to the extent any amounts are still outstanding after such setoff, shall thereafter be paid by wire transfer of immediately available funds from Sellers, as the case may be, to an account designated by the applicable party entitled to indemnification, within ten (10) days after the determination of amounts owing hereunder. The Parent Parties shall provide written notice to set forth the amount of the setoff, the manner in which such setoff was calculated, and the specific payments due Sellers to which the setoff was applied. Sellers hereby grant Parent a power of attorney, couple with an interest, to facilitate such actions as are necessary to complete and document any such setoff against the Common Shares so issued to Sellers.

(ii) Any amounts owing from Parent Parties pursuant to this Article 8 shall be effected by wire transfer of immediately available funds from Parent to an account designated by the applicable party entitled to indemnification, within ten (10) days after the determination thereof.

(iii) All indemnification payments under this Article 8C shall be deemed adjustments to the Company Closing Merger Consideration to which Sellers are entitled hereunder, except as otherwise required by applicable law, as determined by Parent.

8E. Indemnification Procedures.

(i) During any applicable survival period as set forth herein, any Person may make a claim for indemnification under this Section 8E (an "Indemnified Party") by notifying the indemnifying party (an "Indemnifying Party") of the claim in writing promptly after receiving written notice of any action, lawsuit, proceeding, investigation or other claim against it (if by a third party), describing the claim, the amount thereof (if known and quantifiable and, if not known and quantifiable, a good faith estimate thereof) and the basis thereof; provided that the failure to so notify an Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that (and only to the extent that) the Indemnifying Party has been materially prejudiced thereby. The Indemnifying Party shall be entitled to participate in the defense of such

action, lawsuit, proceeding, investigation or other claim giving rise to an Indemnified Party' s claim for indemnification at such Indemnifying Party' s expense, and at its option (subject to the limitations set forth below) shall be entitled to assume the defense thereof by appointing a nationally recognized and reputable counsel reasonably acceptable to the Indemnified Party to be the lead counsel in connection with such defense; provided that, prior to the Indemnifying Party assuming control of such defense it shall first (a) verify to the Indemnified Party in writing that such Indemnifying Party shall be fully responsible (with no reservation of any rights) for all liabilities and obligations relating to such claim for indemnification and that (without regard to any dollar limitations otherwise set forth herein) it shall provide full indemnification (whether or not otherwise required hereunder) to the Indemnified Party with respect to such action, lawsuit, proceeding, investigation or other claim giving rise to such claim for indemnification hereunder and (b) enter into an agreement with the Indemnified Party in form and substance satisfactory to the Indemnified Party that unconditionally guarantees the payment and performance of any liability or obligation which may arise with respect to such action, lawsuit, proceeding, investigation or facts giving rise to such claim for indemnification hereunder; and provided, further, that:

(a) the Indemnified Party shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose; provided that the fees and expenses of such separate counsel shall be borne by the Indemnified Party (other than any fees and expenses of such separate counsel that are incurred prior to the date the Indemnifying Party effectively assumes control of such defense which, notwithstanding the foregoing, shall be borne by the Indemnifying Party to the extent such underlying claim is indemnifiable under this Article 8, and except that the Indemnifying Party shall pay all of the fees and expenses of such separate counsel to the extent such underlying claim is indemnifiable under this Article 8 if the Indemnified Party has been advised by counsel that a reasonable likelihood exists of a conflict of interest between the Indemnifying Party and the Indemnified Party);

(b) the Indemnifying Party shall not be entitled to assume control of such defense (unless otherwise agreed to in writing by the Indemnified Party) and shall pay the fees and expenses of counsel retained by the Indemnified Party to the extent such underlying claim is indemnifiable under this Article 8 if (1) the claim for indemnification relates to or arises in connection with any criminal or quasi criminal proceeding, action, indictment, allegation or investigation; (2) the Indemnified Party reasonably believes an adverse determination with respect to the action, lawsuit, investigation, proceeding or other claim giving rise to such claim for indemnification would be detrimental to or injure the Indemnified Party' s reputation or future business prospects or have any adverse tax consequence on any Indemnified Party; (3) the claim seeks an injunction or equitable or other non-monetary relief against the Indemnified Party; (4) the Indemnified Party has been advised by counsel that a reasonable likelihood exists of a conflict of interest between the Indemnifying Party and the Indemnified Party; (5) upon petition by the Indemnified Party, the appropriate court rules that the Indemnifying Party failed or is failing to vigorously prosecute or defend such claim or (6) the Indemnified Party reasonably believes that the Loss relating to the claim would exceed the maximum amount that such Indemnified Party would then be entitled to recover under the applicable provisions of Article 8; and

(c) if the Indemnifying Party shall control the defense of any such claim, the Indemnifying Party shall obtain the prior written consent of the Indemnified Party before entering into any settlement of a claim or ceasing to defend such claim if, pursuant to or as a result of such settlement or cessation, injunctive or other equitable relief will be imposed against the Indemnified Party or if such settlement does not expressly and unconditionally

release the Indemnified Party from all liabilities and obligations with respect to such claim, without prejudice.

(ii) Notwithstanding anything herein to the contrary, any claim by an Indemnified Party for indemnification not involving a third party claim may be asserted by giving the Indemnifying Party written notice thereof ("Indemnification Notice") setting forth the amount of such claim for indemnification (to the extent the amount of such claim is known and quantifiable as of such date and, if not, a good faith estimate thereof) and setting forth the nature and the basis for such claim (an "Indemnification Claim"). If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days following its receipt of an Indemnification Notice that the Indemnifying Party disputes its liability to the Indemnified Party, the applicable Indemnification Claim specified by the Indemnified Party in such Indemnification Notice shall be conclusively deemed an obligation of the Indemnifying Party hereunder, and the Indemnifying Party shall pay the Indemnified Party an amount equal to the amount of such Indemnification Claim on demand and in accordance with Section 8D.

8F. Certain Tax Matters.

(i) Sellers (severally and jointly) shall indemnify the Parent Parties and hold each of them harmless from and against Losses arising from or attributable to (a) any and all Taxes (or the non-payment thereof) of each of the Sellers, (b) any and all Taxes (or the non-payment thereof) of or imposed on the Company for all taxable periods ending on or before the Closing Date and the portion through the end of the Closing Date for any taxable period that includes (but does not end on) the Closing Date ("Pre-Closing Tax Period"), and (c) any and all Taxes of any Person imposed on Company as a transferee successor, by contract, or otherwise, which Taxes relate to an event or transaction occurring (or deemed to occur) before the Closing. Sellers shall reimburse the Parent Parties for any Taxes which are the responsibility of Sellers pursuant to this Section 8F(i) within twenty (20) Business Days prior to the payment of such Taxes by Parent or Surviving Company. The parties to this Agreement intend for the Merger to qualify as a "reorganization" described in Section 368(a)(2)(E) of the Code and that this Agreement (and any associated documents) constitute a "plan of reorganization" within the meaning of Treasury Regulation 1.368-2(g).

(ii) In the case of any Taxable period that includes (but does not end on) the Closing Date (a "Straddle Period"), the amount of any Taxes based on or measured by income or receipts for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date, and the amount of other Taxes for a Straddle Period which relate to the Pre Closing Tax Period shall be deemed to be the amount of such Tax for the entire Taxable period, multiplied by a fraction, the numerator of which is the number of days in the Taxable period ending on the Closing Date, and the denominator of which is the number of days in such Straddle Period.

(iii) All Tax sharing agreements or similar agreements (other than agreements the principal subject matter of which is not Taxes) with respect to or involving Company shall be terminated as of the Closing Date and, after the Closing Date, Surviving Company shall not be bound thereby or have any liability thereunder. In no event will any of the Parent Parties be liable to any Seller Party for any Taxes or related obligations of any Seller Party. Parent (or its designee) will prepare and file or cause to be prepared and filed all Tax Returns of Company for taxable periods ending on, before or after the Closing Date that are filed after the Closing Date. To the extent permitted by applicable law, Sellers shall include any income, gain, loss, deduction or other tax items for such periods on their Tax Returns in a manner consistent with the Schedule K-1s furnished to Sellers for such periods. Sellers shall be solely liable for the payment of any Taxes due

or payable with respect to such Tax Returns of the Company to the extent such Taxes are the responsibility of Sellers pursuant to Section 8F(i).

(iv) Cooperation on Tax Matters.

(a) The parties shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party' s request) the provision of records and information reasonably relevant to any such audit, litigation, or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The parties agree (A) to retain all books and records with respect to Tax matters pertinent to Target and its Subsidiaries relating to any taxable period beginning before the Closing Date until expiration of the statute of limitations (and, to the extent notified. any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (B) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other party so requests, the Company and its Subsidiaries or Sellers, as the case may be, shall allow the other party to take possession of such books and records.

(b) The parties further agree, upon request, to use their best efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including with respect to the transactions contemplated hereby).

(v) All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement shall be paid by Sellers when due, and the party required by applicable law shall file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other Taxes and fees, and, if required by applicable law, the other parties shall, and shall cause their affiliates to, join in the execution of any such Tax Returns and other documentation. The expense of such filings shall be paid by Sellers.

8G. Press Release and Announcements. Unless required by Law (in which case each of the Sellers, Company, Parent, and Merger Sub agrees to use reasonable efforts to consult with the other parties hereto prior to any such disclosure as to the form and content of such disclosure), after the date hereof and through and including the Closing Date, no press releases, announcements to the employees, customers or suppliers of Company or other releases of information related to this Agreement or the transactions contemplated hereby will be issued or released without the consent of each of Sellers, Company, Parent, and Merger Sub. After the Closing, Parent and its Affiliates may issue any such releases of information without the consent of any other party hereto.

8H. Mutual Assistance. Without limiting any other provision set forth herein, Parent and Company agree that they will mutually cooperate in the expeditious filing of all notice, reports and other filings with any Governmental Entity required to be submitted jointly by such Persons in connection with the execution and delivery of this Agreement and/or the other agreements contemplated hereby and the consummation of the transactions contemplated hereby or thereby.

8I. Designation of the Sellers Representative. The parties have agreed that it is desirable to designate the Sellers Representative to act on behalf of the Sellers for certain limited purposes, as specified

herein. The parties have designated Brian Gallagher as the initial Sellers Representative, and approval of this Agreement by the Sellers shall, to the maximum extent permitted under applicable law, constitute irrevocable ratification and approval of such designation by the Sellers and authorization of the Sellers Representative to serve in such capacity (including to settle any and all disputes with Parent and/or Merger Sub under this Agreement). The Sellers Representative may resign at any time and the Sellers Representative may be removed only by the vote of the Sellers which collectively owned a majority of Company as of immediately prior to the Effective Time ("Majority Holders"). The designation of the Sellers Representative is coupled with an interest, and, except as set forth in the immediately preceding sentence, such designation is irrevocable and shall not be affected by the death, incapacity, illness, bankruptcy, dissolution or other inability to act of any of the Sellers. In the event that a Sellers Representative has resigned or been removed, a new Sellers Representative shall be appointed by a vote of Majority Holders, such appointment to become effective upon the written acceptance thereof by the new Sellers Representative. Written notice of any such resignation, removal or appointment of a Sellers Representative shall be delivered by the Sellers Representative to Parent promptly after such action is taken. Each Seller agrees that Sellers Representative shall have no obligation or liability to any Person for any action or omission taken or omitted by Sellers Representative in good faith hereunder, and each Seller shall indemnify and hold Sellers Representative harmless from and against any and all Losses which Sellers Representative may sustain as a result of any such action or omission by Sellers Representative hereunder.

8J. Authority and Rights of the Sellers Representative. The Sellers Representative shall have such powers and authority as are necessary or appropriate to carry out the functions assigned to it under this Agreement and in any other document delivered in connection herewith. Sellers, Parent, and Surviving Company shall be entitled to rely on the actions taken by the Sellers Representative without independent inquiry into the capacity of the Sellers Representative to so act. All actions, notices, communications and determinations by the Sellers Representative to carry out such functions shall conclusively be deemed to have been authorized by, and shall be binding upon, the Sellers. Neither the Sellers Representative nor any of its officers, directors, employees, agents or representatives shall have any liability to the Parent, Surviving Company, the Sellers with respect to actions taken or omitted to be taken by the Sellers Representative in such capacity (or any of its officers, directors, employees, agents or representatives in connection therewith), except with respect to the Sellers Representative' s gross negligence or willful misconduct.

8K. Expenses. Surviving Company shall pay all of its and Parent' s third party fees, costs and expenses incurred in connection with the negotiation of this Agreement, the performance of their obligations hereunder and the consummation of the transactions contemplated hereby. Except as set forth in Section 4H(ii), Sellers shall pay all of the Company Expenses and all their own fees, costs and expenses incurred in connection with the negotiation of this Agreement, the performance of their obligations hereunder and the consummation of the transactions contemplated hereby.

8L. General Release. Each of the Sellers does hereby, and each such Seller agrees to cause his or its Affiliates, successors and assigns and any other person or entity claiming by, through or under any of the foregoing to (and on behalf of each of them does hereby), effective as of, and contingent upon, the Closing, unconditionally and irrevocably release, waive and forever discharge Parent, Merger Sub, Company and each of their past and current directors, managers, officers, and employees from any and all claims, demands, judgments, causes of action and liabilities of any nature whatsoever, whether or not known, suspected or claimed, arising directly or indirectly from any act, omission, event or transaction occurring on or prior to the Effective Time, which, for the avoidance of doubt, includes (without limitation) any and all claims of breach and causes of action based on alleged breach and associated liabilities arising out of or relating to any commercial arrangement or agreement between Company and such Seller and/or such Seller' s Affiliates entered into prior to the Effective Time, but excludes and shall not apply to the rights of any such Seller and/or such Seller' s Affiliates (i) set forth in this Agreement or any other agreement

or document executed or delivered in connection with this Agreement, (ii) set forth in any of the 2018 Transaction Documents, or (iii) under any contract of insurance covering directors, managers, and officers of Company. WITHOUT LIMITING THE FOREGOING, EACH SELLER (ON HIS, HER OR ITS OWN BEHALF AND ON BEHALF OF HIS, HER OR ITS AFFILIATES, SUCCESSORS AND ASSIGNS) EXPRESSLY WAIVES AND RELINQUISHES ALL RIGHTS AND BENEFITS AFFORDED BY ANY APPLICABLE STATUTE IN THE CONTEXT OF A GENERAL RELEASE, WHICH STATUTE GENERALLY PROVIDES FOR THE FOLLOWING: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS, HER OR ITS FAVOR AT THE TIME OF EXECUTING THIS RELEASE, WHICH IF KNOWN BY HIM, HER OR IT MAY HAVE MATERIALLY AFFECTED HIS, HER OR ITS SETTLEMENT WITH THE DEBTOR." EACH SELLER ACKNOWLEDGES THAT HE, SHE OR IT HAS CAREFULLY READ THE FOREGOING WAIVER AND GENERAL RELEASE AND UNDERSTANDS ITS CONTENTS. Sellers represent and warrant that (x) there are no liens, or claims of lien, or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein, (y) the Sellers have not transferred or otherwise alienated any such claims or causes of action, and (z) Sellers are fully authorized and entitled to give the releases specified herein.

8M. Confidentiality. Each of the Sellers, Parent, Merger Sub, and Company hereby covenants and agrees not to, and to cause his or its Affiliates not to, at any time (i) retain or use for the benefit, purposes or account of such party or any other Person; or (ii) disclose, divulge, reveal, communicate, share, transfer or provide access to any Person outside Parent, Company, Sellers, Surviving Company and their respective Subsidiaries any non-public, proprietary or confidential information, including trade secrets, "know-how", profitability margins relative to any customers of Company (the release of which would cause substantial harm to Company), research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals, in each case, concerning the past, current or future business, activities and operations of Parent, Sellers, Company, Surviving Company or their Subsidiaries, as applicable ("Confidential Information") without the prior written authorization of the Person to which such Confidential Information relates (which authorization may be withheld in such Person' s sole and absolute discretion); provided, however, "Confidential Information" shall not be deemed to include any information that is (i) generally known to the public other than as a result of party' s breach of this section or any breach of other confidentiality obligations by third parties or (ii) required by law to be disclosed; provided that a party shall give prior written notice to Parent of such requirement, disclose no more information than is so required, and cooperate with any attempts by Parent to obtain a protective order or similar treatment.

ARTICLE 9
MISCELLANEOUS

9A. Definitions. The terms defined in Exhibit A hereto, whenever used herein, shall have meanings set forth on Exhibit A for all purposes of this Agreement. The definitions on Exhibit A are incorporated into this Agreement as if fully set forth at length herein and all references to a section in such Exhibit A are references to such section of this Agreement.

9B. Amendment and Waiver. This Agreement may be amended, and any provision of this Agreement may be waived; provided that (i) any such amendment or waiver will be binding upon Company (prior to the Closing), Sellers and the Sellers Representative only if such amendment or waiver is set forth in a writing executed by Company (prior to the Closing), Sellers and the Sellers Representative, and (ii) any such amendment or waiver will be binding upon Parent, Merger Sub and Surviving Company only if such amendment or waiver is set forth in a writing executed by Parent. No course of dealing between or

among any Persons having any interest in this Agreement shall be deemed effective to modify, amend or waive any part of this Agreement or any rights or obligations of any Person under or by reason of this Agreement. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

9C. Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) if personally delivered, on the date of delivery, (ii) if delivered by express courier service of national standing (with charges prepaid), on the Business Day following the date of delivery to such courier service, (iii) if deposited in the United States mail, first-class postage prepaid, on the fifth Business Day following the date of such deposit, (iv) if delivered by fax, provided the relevant transmission report indicates a full and successful transmission, (x) on the date of such transmission, if such transmission is completed at or prior to 5:00 p.m., local time of the recipient party, on the date of such transmission, and (y) on the next Business Day following the date of transmission, if such transmission is completed after 5:00 p.m., local time of the recipient party, on the date of such transmission, or (v) if delivered by Internet mail, provided the relevant sender requests and receives a receipt read response from recipient (x) on the date of such transmission, if such transmission is completed at or prior to 5:00 p.m., local time of the recipient party, on the date of such transmission, and (y) on the next Business Day following the date of transmission, if such transmission and receipt read response is completed after 5:00 p.m., local time of the recipient party, on the date of such transmission. Notices, demands and communications to Company, the Sellers Representative, Parent, Merger Sub or Surviving Company shall, unless another address is specified in writing pursuant to the provisions hereof, be sent to the address indicated below:

Notices to the Sellers Representative:

Brian Gallaher
3402 Piazza De Oro Way, Suite 100
Oceanside, CA 92056
Phone: [***]
Email: [***]

with a copy to:

Monroe Law PC
4225 Executive Square, Suite 600
La Jolla, CA 92037
Attn: Patrick Monroe
Phone: [***]
Email: [***]

Notices to Parent, Merger Sub and/or Surviving Company:

Aptera Motors Corp.
5818 El Camino Real
Carlsbad, CA 92008
Attn: [***]
Phone: [***]

with a copy to:

Eversheds Sutherland (US) LLP
999 Peachtree Street, N.E.
Atlanta, GA 30338
Attn: Michael J. Voynich
Phone: [***]
Email: [***]

9D. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns, except that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by Sellers or, prior to Closing, Company in each case without the prior written consent of Parent. Each of Parent and Merger Sub may assign its rights and obligations hereunder, in whole or in part, to any of its Affiliates or in connection with any disposition or transfer of all or any portion of the equity of Surviving Company or any of its Subsidiaries, in each case without the consent of any other Person; provided, however, any such assigning Person shall remain fully liable under this Agreement for such Person' s obligations and responsibilities hereunder

9E. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

9F. Third-Party Beneficiaries and Obligations. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Other than as set forth in Section 8B, Section 8C, Section 8F, nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the parties hereto or their respective successors and permitted assigns, any rights, remedies or liabilities under or by reason of this Agreement.

9G. No Strict Construction. Notwithstanding the fact that this Agreement has been drafted or prepared by one of the parties, each of Parent, Merger Sub, Sellers, Company and the Sellers Representative, confirm that they and their respective counsel have reviewed, negotiated and adopted this Agreement as the joint agreement and understanding of the parties hereto and the language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Person.

9H. Interpretation. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." Words denoting any gender shall include all genders. Where a word is defined herein, references to the singular shall include references to the plural and vice versa. A reference to any party to this Agreement or any other agreement or document shall include such party' s successors and permitted assigns. All references to "$" and dollars shall be deemed to refer to United States currency unless otherwise specifically provided. All references to a day or days shall be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided. Any reference to any agreement or contract referenced herein or in the Disclosure Schedule shall be a reference to such agreement or contract, as amended, modified, supplemented or waived. The captions used in this Agreement and descriptions of the Disclosure Schedule are for convenience of reference only and do not constitute a part of this Agreement and shall not be deemed to limit, characterize or in any way affect any provision of this Agreement, and all provisions of this Agreement shall be enforced and construed as if no caption or description of the Disclosure Schedule had been used in this Agreement.

9I. The Disclosure Schedule. Any matter disclosed in one section of the Disclosure Schedule shall also be deemed to constitute an exception to each other representation, warranty, covenant or agreement of Sellers or Company in the Agreement to which such matter relates, but only to the extent such matter is apparent, on its face, to be applicable to such other representation, warranty covenant or agreement of Sellers or Company. The parties acknowledge and agree that any appendices or exhibits attached to the Disclosure Schedule form an integral part of the sections or subsections of the Disclosure Schedule into which they are incorporated by reference for all purposes as if fully set forth in the Disclosure Schedule, including for purposes of cross-application to other sections or subsections of the Disclosure Schedule in accordance with the immediately preceding sentence. The inclusion of any item in the Disclosure Schedule shall not be deemed an admission that such item is a material fact, event, or circumstance or that such item has had or would be reasonably likely to have a Material Adverse Effect.

9J. Complete Agreement. This Agreement, together with any other agreements referred to herein or therein executed and delivered on or after the date hereof, contain the complete agreement among the parties hereto and supersede any prior understandings, agreements or representations by or between such parties, written or oral, which may have related to the subject matter hereof in any way.

9K. Counterparts. This Agreement may be executed in multiple counterparts (including by means of fax or electronically transmitted signature pages), all of which taken together shall constitute one and the same Agreement.

9L. Governing Law. The internal Law (and not the Law of conflicts) of the State of California shall govern all questions concerning the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement.

9M. Dispute Resolution; Consent to Jurisdiction; Waiver of Jury Trial.

(i) If any dispute, controversy or claim arises between the parties hereto with respect to whether any such party is in breach or default of its respective obligations hereunder, then the dispute shall be settled by binding arbitration in San Diego County, California or at such other location as may be mutually agreed by the parties involved in such dispute. Such arbitration shall be administered by the American Arbitration Association ("AAA") and shall be conducted in accordance with the Commercial Arbitration Rules (the "Rules") of AAA then in effect, or such other arbitral body as the parties may jointly select.

(ii) The award of the arbitrator shall be binding upon the parties and each party hereby consents to the entry of judgment by any court of competent jurisdiction in accordance with the decision of the arbitrator.

(iii) The prevailing party in any such arbitration shall be entitled to recover, in addition to any other relief awarded, its reasonable costs of preparation for and participation in the arbitration, including reasonable attorneys' fees. The arbitrator shall have no power to award punitive, treble or other multiple damages, as a result of this Section 9M, and the arbitrator' s jurisdiction is limited accordingly, and no arbitration award issued pursuant to this Section 9M shall grant such damages.

(iv) The Parties hereby agree to make a good faith effort to resolve any dispute, controversy or claim arising between them prior to electing to arbitrate such matter.

(v) Any such arbitration proceedings shall include by consolidation, joinder or joint filing, any additional Person not a party to this Agreement to the extent necessary to the final resolution of the matter in controversy.

SUBJECT TO THE FOREGOING, THE PARTIES AGREE THAT JURISDICTION AND VENUE IN ANY ACTION BROUGHT BY ANY PARTY PURSUANT TO THIS AGREEMENT SHALL EXCLUSIVELY LIE IN ANY FEDERAL OR STATE COURT LOCATED IN THE STATE OF CALIFORNIA. BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY WITH RESPECT TO SUCH ACTION. THE PARTIES IRREVOCABLY AGREE THAT VENUE WOULD BE PROPER IN SUCH COURT, AND HEREBY WAIVE ANY OBJECTION THAT SUCH COURT IS AN IMPROPER OR INCONVENIENT FORUM FOR THE RESOLUTION OF SUCH ACTION. THE PARTIES HERETO WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING UNDER THIS AGREEMENT OR ANY ACTION OR PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED HEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION OR PROCEEDING.

* * * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and Plan of Merger as of the date first written above.

ANDROMEDA INTERFACES INC.

By: /s/ Brian Gallagher
Name: Brian Gallagher
Title: President

SELLERS:

/s/ Brian Gallagher
Name: Brian Gallagher

/s/ Kevin Coelho
Name: Kevin Coelho

SELLERS REPRESENTATIVE:

/s/ Brian Gallagher
Name: Bria Gallagher (solely in his capacity as the Sellers Representative)

APTERA MOTORS CORP.

By: /s/ Chris Anthony
Name: Chris Anthony
Title: President

APTERA MERGERCO, LLC

By: Aptera Motors Corp., its sole member

By: /s/ Chris Anthony
Name: Chris Anthony
Title: President

Exhibit A

Definitions

"Action" means any claim, complaint, charge, action, suit, audit, inquiry, investigation or other proceeding (including any arbitration proceeding).

"Affiliate" means any Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the party specified.

"Affiliated Group" means with respect to Company, any affiliated group as defined in Section 1504 of the Code (or any analogous combined, consolidated or unitary group defined under state, local or foreign income Tax Law) of which Company or any Predecessor is or has been a member.

"Agreement" shall have the meaning set forth in the preamble.

"Assets" means all of the Companies' assets, properties, and rights, including Owned Intellectual Property Rights, Leased Real Property, inventory, Company Contracts, and accounts receivable.

"Business" means the business of Company (as of the Closing).

"Business Day" means any day, other than a Saturday, Sunday, or any other date in which banks located in any of New York, New York or Atlanta, Georgia are closed for business as a result of federal, state or local holiday.

"California Act" means the California Corporation Code, as amended from time to time.

"Certificate" means a certificate which immediately prior to the Effective Time represented any Company stock.

"Certificate of Merger" shall have the meaning set forth in Section 1B.

"Closing" shall have the meaning set forth in Section 4A.

"Closing Date" shall have the meaning set forth in Section 4A.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" shall have the meaning set forth in the preamble.

"Company Closing Merger Consideration" shall have the meaning set forth in Section 4B.

"Company Expenses" means all costs, fees and expenses incurred prior to the Effective Time (whether or not invoiced) by Company in connection with this Agreement and the transactions contemplated hereby, and any other fees and expenses of Company' s advisors, investment bankers, lawyers and accountants arising out of, relating to or incidental to the discussion, evaluation, financing, negotiation and documentation of the transactions contemplated hereby.

"Company Fundamental Representations and Warranties" shall have the meaning set forth in Section 10A.

"Company Stock" shall have the meaning set forth in the preamble.

"Company Transaction" means any (a) reorganization, liquidation, dissolution or recapitalization of Company, (b) merger or consolidation involving Company, (c) purchase or sale of any assets of Company or Company Stock (or any rights to acquire, or securities convertible into or exchangeable for, any portion of the Company Stock) (other than the purchase and sale of inventory and the purchase of capital equipment in the ordinary course of business consistent with past custom and practice), or (d) similar transaction or business combination involving Company or its business or assets.

"Contract" means, with respect to any person, any legally binding written, oral, implied, or other agreement, contract, instrument, note, mortgage, bond, loan, indenture, guaranty, option, indemnity, representation, warranty, deed, assignment, power of attorney, certificate, sale or purchase order, work order, insurance policy, lease, license, commitment, covenant, assurance, indemnity, or undertaking, understanding, or arrangement of any kind or nature to which such person is a party, by which it or its assets are bound or subject and under which it has or may reasonably be expected to have any current or future liability.

"Constituent Corporations" shall have the meaning set forth in the preamble.

"Delaware Act" means Title 6, Chapter 18 of the Delaware Code, as amended from time to time, known as the Delaware Limited Liability Company Act.

"Disclosure Schedule" means the Disclosure Schedules delivered by the Company to Parent concurrently with the execution and delivery of this Agreement.

"Effective Time" shall have the meaning set forth in Section 1B.

"Employee Benefit Plan" shall have meaning set forth in Section 6M(i).

"Encumbrance" means any Lien (other than restrictions on transfer under the Securities Act and applicable state securities Laws).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder

"Fraud" means actual intentional fraud and not constructive or negligent fraud.

"GAAP" means United States generally accepted accounting principles applied on a basis consistent with the accounting principles and policies of Company.

"Governmental Entity" means any government, governmental agency, department, bureau, office, commission, authority or instrumentality, or court of competent jurisdiction, whether international, foreign, provincial, domestic, federal, state or local.

"Indebtedness" means, with respect to Company at any applicable time of determination, without duplication, (i) all obligations and amounts due of Company with respect to borrowed money, (ii) all notes payable, (iii) the principal amount of capital leases, long-term vendor financing, interest rate protection agreements and any prepayment penalties, (iv) letters of credit, premiums, or make-whole amounts, (v) deferred compensation arrangements, severance, pension plans, accrued bonuses and any change of control payments resulting from the consummation of the Merger or the discharge of any obligation described above or similar arrangements payable as a result of the consummation of the transactions contemplated hereby (regardless of whether any additional event, in addition to the consummation of the transactions contemplated hereby, is required to give rise to such obligations, but expressly excluding any severance

obligations that are due and payable upon the termination of Company employees following the Closing), (vi) all costs and expenses of any lender payable in connection with the foregoing (other than accrued expenses and trade accounts payable incurred in the ordinary course of business to the extent accounted for in the working capital adjustment), (vii) all liabilities classified as non-current liabilities in accordance with GAAP as of the date of determination of such Indebtedness (other than "deferred revenue" incurred in the ordinary course of business consistent with past practice) and (viii) all accrued interest, prepayment premiums, fees, penalties, expenses or other amounts payable in respect of any of the foregoing.

"Intellectual Property Rights" means any and all intellectual and industrial proprietary rights and rights in confidential information of every kind and description anywhere in the world, including (i) patents and patent applications, and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof, (ii) trademarks, service marks, trade dress, trade names, logos, slogans, corporate names and other indicia of source, and registrations and applications for registration thereof together with all of the goodwill associated therewith, (iii) copyrights and copyrightable works, and registrations and applications for registration thereof, (iv) Software, (v) internet domain names, websites, universal resource locators and other names and locators associated with the internet, (vi) trade secrets and other confidential information (including ideas, formulae, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice)), know how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, non-public data and databases, financial and marketing plans and customer and supplier lists and information (vii) moral and economic rights of authors and inventors, however denominated, and (viii) all other intellectual property.

"knowledge" means, when referring to the "knowledge of Company," "Seller' s knowledge" or any similar phrase or qualification based on knowledge of Company, the actual knowledge of any of Brian Gallagher and Kevin Coelho, and, when referring to the "knowledge of Parent" or any similar phrase or qualification based on knowledge of Parent, the actual knowledge of any of Chris Anthony.

"Law" means any federal, state, local or foreign statute, law, ordinance, regulation, rule, order, requirement or rule of law.

"Lien" means all mortgages, security interests, charges, easements, rights, options, claims, restrictions, encumbrances, or other liens of any kind.

"Leased Real Property" means all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures, or other interest in real or immovable property that is used in Company' s business.

"Leases" means all leases, subleases, licenses, concessions and other agreements (written or oral), including all amendments, extensions, renewals, guaranties and other agreements with respect thereto, pursuant to which Company holds any Leased Real Property.

"Losses" means, with respect to any person at the time of determination, any and all payments, recoveries, fines, penalties, interest, assessments, judgments, settlements, demands, Taxes, claims, damages, liabilities, actual and reasonable costs and expenses suffered or incurred by the indemnified party, including reasonable attorney fees and reasonable expenses for investigation and defense; but shall exclude punitive damages (other than any such damages that are part of any judgment against the indemnified person in connection with a third-party claim that are based on any willful misconduct by the indemnifying person).

"Merger" shall have the meaning set forth in the preamble.

"Merger Sub" shall have the meaning set forth in the preamble.

"Merger Sub Equity Units" shall have the meaning set forth in the preamble.

"Multiemployer Plan" shall have the meaning set forth in Section 3(37) of ERISA.

"Organizational Documents" means (i) the certificate or articles of incorporation and the bylaws, the partnership agreement or operating agreement (as applicable), (ii) any other agreements, documents, or instruments relating to the organization, management, or operation of any Person that is an entity or relating to the rights, duties, and obligations of the equity holders of any such Person, including any equity holders' agreements, voting agreements, voting trusts, joint venture agreements, registration rights agreements, or similar agreements, and (iii) any documents comparable to those described in clauses (i) and (ii) as may be applicable pursuant to any applicable Law.

"Owned Intellectual Property Rights" means all Intellectual Property Rights owned or purportedly owned by Company, including all Intellectual Property Rights set forth, or required to be set forth, in Schedule 7J(i) of the Disclosure Schedule.

"Parent" shall have the meaning set forth in the preamble.

"Parent Parties" means Parent and its Affiliates (including Merger Sub, and including, after the Closing, Surviving Company, but excluding Sellers and their Affiliates) and their respective stockholders, officers, directors, employees, agents, partners, members, successors and assigns.

"Permitted Equity Liens" means with respect to any equity securities at issue, (i) the provisions of the Organizational Documents of such entity to which the equity securities at issue relate, and (ii) the restrictions on the sale, transfer, pledge, or other disposition of securities provided in the Securities Act and any state or "blue sky" securities laws.

"Person" means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a Governmental Entity.

"Plan" shall have the meaning set forth in Section 6H(v).

"Pre-Closing Tax Period" shall have the meaning set forth in Section 8F(i).

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Seller Parties" means the Sellers, Company (prior to Closing) and their respective stockholders, officers, directors, employees, agents, partners, members, successors and assigns.

"Sellers Representative" shall have the meaning set forth in the preamble.

"Software" means, in any form or format, any and all (i) computer programs, libraries and middleware, including applications, assemblers, applets, compilers, development tools, design tools, diagnostics, utilities, user interfaces and any and all software implementations of algorithms, models and methodologies, whether in source, interpreted code or object code, (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (iii) descriptions, flow charts and other work product used to design, plan, organize and develop any of the foregoing and (iv)

all programmer and user documentation, including user manuals and training materials, related to any of the foregoing.

"Subsidiary" means, with respect to any Person, any corporation, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a partnership, association or other business entity if such Person or Persons shall be allocated a majority of partnership, association or other business entity gains or losses or shall be or control the managing director or general partner of such partnership, association or other business entity.

"Surviving Company" shall have the meaning set forth in Section 1A.

"Tax" or "Taxes" means (A) any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property or windfall profits taxes, environmental taxes, customs duties, franchise, employees' income withholding, foreign or domestic withholding, social security, unemployment, unclaimed property, disability, real property, personal property, sales, use, transfer, value added, goods and services, alternative or add-on minimum, imputed underpayment, or other tax, fee, assessment or charge of any kind whatsoever including any interest, penalties or additions to Tax or additional amounts in respect of the foregoing; (B) liability for the payment of any amounts of the type described in clause (A) arising as a result of being (or ceasing to be) a member of any Affiliated Group (or being included (or required to be included) in any Tax Return relating thereto); and (C) liability for the payment of any amounts of the type described in clause (A) as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other person, or as a transferee or successor, by contract, or otherwise.

"Tax Matter" means any inquiry, assessment, Action or other similar event relating to the Taxes.

"Tax Return" means any Tax return, declaration, report, claim for refund, or information return or statement filed or required to be filed with any Governmental Authority.

"Title IV Plan" means any employee pension benefit plan (as such term is defined in Section 3(2) of ERISA) that is subject to Title IV of ERISA, other than a Multiemployer Plan.

List of Additional Exhibits:

Exhibit B: Certificate of Merger
Exhibit C: Letter of Transmittal
Exhibit D: Sellers' Share Allocations

The Company agrees to furnish supplementally a copy of any omitted exhibit to the U.S. Securities and Exchange Commission upon request.

Exhibit 6.4

SCHEDULE A
TO
STOCK OPTION AGREEMENT
BETWEEN
APTERA MOTORS CORP.
AND
Chris Anthony

Dated: August 10th, 2021

1. Number of Shares Subject to Option: 540,000 Shares.
2. Type of Option: This Option (Check one) [ ] is [X] is not intended to qualify as an Incentive Stock Option.
3. Option Exercise Price: $3.80 per Share.
4. Date of Grant: July 28th, 2021
5. Option Vesting Schedule:

   Check one:

   ( ) Options are exercisable with respect to all shares on or after the date hereof.

   (X) Options are exercisable with respect to the number of shares indicated below on or after the date indicated next to the number of shares:

No. of Shares	Vesting Date
135,000	July 28th, 2022
135,000	July 28th, 2023
135,000	July 28th, 2024
135,000	July 28th, 2025

6. Option Exercise Period (check one):

( ) All options expire and are void unless exercised on or before _____, _____.

( ) Options expire and are void unless exercised on or before the date indicated next to the number of shares:

No. of Shares	Expiration Date
N/A	N/A

7. Effect of Termination of Service of Optionee.

( ) There are no modifications to the provisions of the Stock Option Agreement or the Plan regarding the effect of termination of employment of Optionee.

( ) The following additional terms apply (check all that apply):

(X) Upon termination of services for Cause or voluntarily without the consent of the Company *(default rule under the Stock Option Agreement results in immediate termination of the Option to the extent not exercised prior to such termination)*:

_____

_____

(X) Upon termination of services without Cause *(default rule under the Stock Option Agreement allows Optionee three (3) months to exercise Option with regard to those shares that were Purchasable at the time of termination)*:

_____

_____

(X) Upon termination of services upon retirement by Optionee at or after the normal retirement date, as prescribed by the Company from time to time *(default rule under the Stock Option Agreement allows Optionee to exercise Option with regard to those shares that were Purchasable at the time of termination, subject to the termination of the Exercise Period set forth hereinabove; provided however, that to maintain ISO tax treatment, if any, such shares must be exercised within three (3) months after termination)*:

_____

_____

(X) Upon death or Total and Permanent Disability of Optionee *(default rule under the Stock Option Agreement has all shares vesting immediately and allows Optionee the shorter of (a) one year after termination or (b) the expiration date of this Option, to exercise the Option)*:

_____

_____

(X) Upon the occurrence of a Corporate Transaction *(default rule under the Plan is that a Corporate Transaction does not automatically trigger an acceleration of vesting of any unvested shares under an Option)*:

_____

_____

Exhibit 6.5

SCHEDULE A
TO
STOCK OPTION AGREEMENT
BETWEEN
APTERA MOTORS CORP.
AND
Jannies S. Burlingame

Dated: August 1st, 2021

1. Number of Shares Subject to Option: 1,212,241 Base Shares and 674,578 Performance Bonus Shares

2. Type of Option: This Option (Check one) [ ] is [X] is not intended to qualify as an Incentive Stock Option.

3. Option Exercise Price: $3.80 per Share.

4. Date of Grant: June 30th, 2021

5. Option Vesting Schedule:

   Check one:

   ( ) Options are exercisable with respect to all shares on or after the date hereof.

   (X) Options are exercisable with respect to the number of shares indicated below on or after the date indicated next to the number of shares:

No. of Shares	Vesting Date
303.560	August 1st, 2022
303.560	August 1st, 2023
303.560	August 1st, 2024
303.560	August 1st, 2025

5. Performance Bonus Vesting Schedule:

   The following number of shares shall vest upon the completion of these performance metrics:

	No. of Shares
Executing a SPAC deal or IPO	269,831
Garnering a valuation over $2B pre-money	269,831
Fully implementing an ERP solution	134,916

6. Option Exercise Period (check one):

( ) All options expire and are void unless exercised on or before_____,____ .
( ) Options expire and are void unless exercised on or before the date indicated next to the number of shares:

No. of Shares	Expiration Date
N/A	N/A

7. Effect of Termination of Service of Optionee.

( ) There are no modifications to the provisions of the Stock Option Agreement or the Plan regarding the effect of termination of employment of Optionee.

( ) The following additional terms apply (check all that apply):

(X) Upon termination of services for Cause or voluntarily without the consent of the Company *(default rule under the Stock Option Agreement results in immediate termination of the Option to the extent not exercised prior to such termination)*:

_____
_____

(X) Upon termination of services without Cause *(default rule under the Stock Option Agreement allows Optionee three (3) months to exercise Option with regard to those shares that were Purchasable at the time of termination)*:

_____
_____

(X) Upon termination of services upon retirement by Optionee at or after the normal retirement date, as prescribed by the Company from time to time *(default rule under the Stock Option Agreement allows Optionee to exercise Option with regard to those shares that were Purchasable at the time of termination, subject to the termination of the Exercise Period set forth hereinabove; provided however, that to maintain ISO tax treatment, if any, such shares must be exercised within three (3) months after termination):*

_____
_____

(X) Upon death or Total and Permanent Disability of Optionee *(default rule under the Stock Option Agreement has all shares vesting immediately and allows Optionee the shorter of (a) one year after termination or (b) the expiration date of this Option, to exercise the Option)*:

(X) Upon the occurrence of a Corporate Transaction *(default rule under the Plan is that a Corporate Transaction does not automatically trigger an acceleration of vesting of any unvested shares under an Option)*:

Exhibit 6.6

SCHEDULE A
TO
STOCK OPTION AGREEMENT
BETWEEN
APTERA MOTORS CORP.
AND
Steve Fambro

Dated: August 10th, 2021

1. Number of Shares Subject to Option: 540,000 Shares.
2. Type of Option: This Option (Check one) [ ] is [X] is not intended to qualify as an Incentive Stock Option.
3. Option Exercise Price: $3.80 per Share.
4. Date of Grant: July 28th, 2021
5. Option Vesting Schedule:

   Check one:

   ( ) Options are exercisable with respect to all shares on or after the date hereof.

   (X) Options are exercisable with respect to the number of shares indicated below on or after the date indicated next to the number of shares:

No. of Shares	Vesting Date
135,000	July 28th, 2022
135,000	July 28th, 2023
135,000	July 28th, 2024
135,000	July 28th, 2025

6. Option Exercise Period (check one):

( ) All options expire and are void unless exercised on or before_____ , ____.

( ) Options expire and are void unless exercised on or before the date indicated next to the number of shares:

No. of Shares	Expiration Date
N/A	N/A

7. Effect of Termination of Service of Optionee.

( ) There are no modifications to the provisions of the Stock Option Agreement or the Plan regarding the effect of termination of employment of Optionee.

( ) The following additional terms apply (check all that apply):

(X) Upon termination of services for Cause or voluntarily without the consent of the Company *(default rule under the Stock Option Agreement results in immediate termination of the Option to the extent not exercised prior to such termination)*:

_____
_____

(X) Upon termination of services without Cause *(default rule under the Stock Option Agreement allows Optionee three (3) months to exercise Option with regard to those shares that were Purchasable at the time of termination)*:

_____
_____

(X) Upon termination of services upon retirement by Optionee at or after the normal retirement date, as prescribed by the Company from time to time *(default rule under the Stock Option Agreement allows Optionee to exercise Option with regard to those shares that were Purchasable at the time of termination, subject to the termination of the Exercise Period set forth hereinabove; provided however, that to maintain ISO tax treatment, if any, such shares must be exercised within three (3) months after termination):*

_____
_____

(X) Upon death or Total and Permanent Disability of Optionee *(default rule under the Stock Option Agreement has all shares vesting immediately and allows Optionee the shorter of (a) one year after termination or (b) the expiration date of this Option, to exercise the Option)*:

_____
_____

(X) Upon the occurrence of a Corporate Transaction *(default rule under the Plan is that a Corporate Transaction does not automatically trigger an acceleration of vesting of any unvested shares under an Option)*:

_____
_____