

CONVERTIBLE PROMISSORY NOTE

THIS CONVERTIBLE PROMISSORY NOTE (THIS “NOTE”) HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. THE NOTE HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE NOTE OR THE ACCURACY OR ADEQUACY OF ANY INFORMATION PROVIDED TO THE UNDERSIGNED HOLDER. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE NOTE CANNOT BE OFFERED, SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF EXCEPT IN COMPLIANCE WITH THE RESTRICTIONS ON TRANSFERABILITY CONTAINED IN THIS NOTE AND APPLICABLE FEDERAL AND STATE SECURITIES LAWS, AND WILL NOT BE TRANSFERRED OF RECORD EXCEPT IN COMPLIANCE WITH SUCH AGREEMENT AND SUCH LAWS.

**BERNHARD TARAS VENTURES, LLC
CONVERTIBLE PROMISSORY NOTE**

\$[_____] [_____] [____], 2024
(the “*Principal Amount*”)

FOR VALUE RECEIVED, Bernhard Taras Ventures, LLC, a Florida limited liability company (the “**Company**”), having its principal place of business and executive offices at 186 Seaview Street, Melbourne Beach, Florida 32951, hereby promises to pay to [_____] (“**Investor**”), or his, her or its registered assigns, in lawful money of the United States of America, the Principal Amount together with interest thereon as set forth in this Convertible Promissory Note (this “**Note**”). This Note constitutes only one of the Convertible Promissory Notes (the “**Notes**”) that the Company is issuing pursuant to the terms of that certain Amended and Restated Convertible Note Purchase Agreement dated as of July 15, 2024 (the “**Purchase Agreement**”). Capitalized terms used but not otherwise defined in this Note shall have the meaning(s) assigned to them in the Purchase Agreement. The Company shall make all payments due under this Note to the Investor at an account designated in writing by Investor or by check at the Investor’s address set forth in the Investor’s signature page of the Purchase Agreement. Any payments by check shall be accepted subject to collection. The following is a statement of the rights of Investor and the conditions to which this Note is subject, and to which Investor, by the acceptance of this Note, agrees:

1. Payments.

(a) *Principal and Interest.* The maturity date of this Note shall be December 31, 2025 (the “**Maturity Date**”). The aggregate principal amount of the Note will start to accrue interest at a rate of eight percent (8%) compounded on an annual basis from the particular Closing date until the Maturity Date. Following the Maturity Date, if the Note has not been previously paid or converted pursuant to the provisions set forth herein, all outstanding principal and unpaid accrued interest on the Note will start to accrue interest at a rate of eighteen percent (18%) compounded on a quarterly basis

until paid in full. All payments made by the Company under this Note shall be applied first to accrued and unpaid interest on the unpaid principal balance and the remainder to the outstanding principal balance.

(b) *Prepayment.* The principal and accrued interest on this Note may not be prepaid by Company unless Investor consents, in writing, to such prepayment.

(c) *Cancellation of Note.* Upon payment in full or conversion of this Note, this Note will be automatically cancelled and the Company's payment obligations hereunder will be extinguished.

2. Conversion.

(a) *Automatic Conversion in a Qualified Financing.* If, at any time between the issuance of this Note by the Company, the Final Closing and the Maturity Date of this Note there still remain amounts outstanding under this Note, including principal, together with all accrued and unpaid interest thereon (the "**Outstanding Debt**") and, during such time period, the Company issues equity securities ("**Equity Securities**") in a transaction or series of related transactions resulting in aggregate gross proceeds to the Company of at least Two Million and 00/100 Dollars (\$2,000,000.00) by one or more unrelated third parties, including conversion of the aggregate principal of the Notes (a "**Qualified Financing**"), then the Outstanding Debt (the "**Conversion Amount**") shall be converted into equity securities (the "**Next Round Securities**") issued by the Company in a Qualified Financing (the "**Automatic Conversion**"). The conversion price per unit (the "**Conversion Price**") shall be equal to the lesser of: (x) eighty percent (80%) of the lowest price per unit paid by the investors purchasing Equity Securities in the Qualified Financing (such percentage, the "**Conversion Discount**"); or (y) the number equal to (A) Ten Million and 00/100 Dollars (\$10,000,000.00) (such number, the "**Valuation Cap**") divided by (B) the number of Equity Securities of the Company outstanding (calculated on a fully-diluted basis assuming full exercise of all outstanding options and warrants to purchase Equity Securities of the Company and full conversion of all securities convertible into Equity Securities) immediately prior to the conversion (the Company's "**Outstanding Equity Securities**"). The resulting number of units issued to the Investor will be equal to the Outstanding Debt divided by the Conversion Price.

(b) *Voluntary Conversion at the Maturity Date.* If no Notes issued by the Company have been converted into Equity Securities of the Company prior to the Maturity Date, then, at any time after the Maturity Date until repayment thereof, the Notes may be converted upon the approval of the Collateral Agent (defined below) and such investors holding at least fifty percent (50%) of the outstanding principal amount of all Notes issued by the Company (the "**Majority Investors**") into Equity Securities of the Company on such terms as agreed upon by the Company, the Collateral Agent and the Majority Investors at the time of the conversion, with the number of units of Equity Securities being issued to the Investor equal to the Outstanding Debt divided by the conversion price, with such conversion price calculated as (A) the Valuation Cap divided by (B) the number of the Company's Outstanding Equity Securities (an "**Optional Conversion**")

(c) *Parties' Cooperation.* The parties agree that if a Qualified Financing occurs during the time period set forth in **Sections 2(a)** or there is a voluntary conversion of the Notes as set

forth in **Section 2(b)**, the parties shall work together in good faith to effectuate the conversion of the outstanding amounts of the Note into Equity Securities as soon as reasonably practicable. The parties also acknowledge that Investor shall not have a right to convert the amounts due under the Note into Equity Securities unless and until Investor executes all appropriate documents asked by the Company in its reasonable discretion, including the Purchase Agreement, an instrument of joinder to the Company's Operating Agreement and/or a pay-off letter. Upon conversion of this Note pursuant to **Sections 2(a) or (b)**, Investor shall surrender the original of this Note (or a notice to the effect that the original Note has been lost, stolen or destroyed and an agreement reasonably acceptable to the Company whereby Investor agrees to indemnify the Company from any loss incurred by the Company in connection with the lost original Note) to the Company at the closing of the conversion for cancellation.

3. Events of Default. The occurrence of any of the following shall constitute an “**Event of Default**” under this Note:

(a) *Failure to Pay.* The Company shall fail to pay any obligation under the Note within ten (10) business days of demand therefor by the Investor;

(b) *Bankruptcy.* The execution of an assignment for the benefit of creditors by the Company or the filing or commencement for any proceedings for relief under the United States Bankruptcy Code (11 U.S.C. Section 101 et seq.), as may be amended from time to time, or insolvency laws or any laws relating to the relief of debtors, or the appointment of a trustee for, by or against the Company; or

(c) *Material Breach.* The Company shall materially breach any of its covenants, representations or warranties contained in the Purchase Agreement, and such breach shall continue for ten (10) business days after the Company's receipt of written notice to the Company of such failure.

4. Rights of Investor Upon Default. Notwithstanding the rights conferred upon the Collateral Agent (defined below), upon the occurrence of any Event of Default and at any time thereafter during the continuance of such Event of Default, the Investor may, at the Investor's option, by written notice to the Company, declare all outstanding amounts due under this Note immediately due and payable in cash, and the Investor may exercise any and all remedies available to Investor under applicable law.

5. Change of Control Transaction. If the Company consummates a Change of Control Transaction, the Investor may, by written notice to the Company, declare all outstanding amounts due under this Note immediately due and payable in cash. For purposes hereof, a “**Change of Control Transaction**” means: (a) a sale of all or substantially all of the Company's assets; (b) an initial public offering of the Company's securities; (c) a sale of over fifty percent (50%) of the Company's Outstanding Equity Securities to an unaffiliated third party; or (d) a merger, consolidation or similar transaction involving the Company, in which the Company is not the surviving entity or which causes the members of the Company not to hold a majority of the Outstanding Equity Securities of the Company immediately after such transaction.

6. Miscellaneous.

(a) *Successors and Assigns; Transfer of this Note.* No party under this Note may sell, transfer or otherwise dispose of this Note and the rights and obligations of the parties hereunder without the consent of the other party. The rights and obligations of the Company and Investor shall be binding upon and benefit the permitted successors, assigns, heirs, administrators and transferees of the parties.

(b) *Waiver and Amendment.* Any provision of this Note may be amended, waived or modified upon the mutual written consent of the Company and the Collateral Agent (defined below); *provided, however*, that no such amendment, waiver or consent shall: (i) reduce the principal amount of this Note without the Investor's written consent; (ii) reduce the rate of interest of this Note without the Investor's written consent; or (iii) make any changes to **Sections 2(a) or (b)** of this Note without the Investor's prior written consent.

(c) *Notices.* Any notice, request or other communication required or permitted hereunder will be in writing and be deemed to have been duly given: (i) when personally delivered, sent by email, or sent by facsimile transmission (the receipt of which is confirmed in writing); (ii) one (1) business day after being sent by a nationally recognized overnight courier service; or (iii) five (5) business days after being sent by registered or certified mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below.

If to the Company: Bernhard Taras Ventures, LLC
 186 Seaview Street
 Melbourne Beach, Florida 32951
 Attention: Chad L Webb

If to Investor: See address on the signature page of the Purchase Agreement.

(d) *Status of Notes and Subordination.* The obligations of the Company under the Notes will be secured by substantially all of the Company's assets; *provided, however*, such security interest shall be subordinate to all existing and future indebtedness of the Company including banks, commercial finance lenders, insurance companies, leasing or equipment financing institutions or other lending institutions regularly engaged in the business of lending money (collectively, "**Secured Lenders**"). For the avoidance of doubt, with the exception of Company debt related to Secured Lenders, the Notes shall be superior in terms of priority of repayment as against any other subsequent debt of the Company or any of the Company's unsecured creditors. The Company shall cooperate with the Collateral Agent, acting on behalf the holders of all Notes, in order to grant the holders of all Notes a security interest in substantially all of the Company's assets, to include all filings necessary to perfect such a security interest. Investor acknowledges and agrees that the payment of all or any portion of the outstanding principal amount of this Note and all interest hereon shall be *pari passu* in right of payment and in all other respects to any other Note. Hence, if the Company does not have sufficient funds to pay its obligations under the Notes, then this Note shall be repaid on a pro-rata basis according to the percentage that the principal amount of each Note represents to the aggregate amount of principal of all Notes. In the event Investor receives payments in excess of its pro rata share as contemplated by this Section, then Investor shall hold in trust all such excess payments for the benefit of the Company's other creditors, including the other holders of the Notes.

(e) *Appointment of Collateral Agent.* Investor acknowledges that shortly after the Initial Closing the Investors holding a majority of the aggregate outstanding principal amount of the Notes shall appoint an individual to act as their representative and collateral agent (hereinafter, the “**Collateral Agent**”). Investor hereby irrevocably authorizes the Collateral Agent to take such actions on his, her or its behalf under the provisions of the Purchase Agreement and this Note and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Collateral Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto, including, but not limited to, any rights to foreclose on the security interest provided under the Notes on the Company’s assets. The Investor acknowledges that the Collateral Agent shall have no right or duty to receive any payments under the Note, to collect on the Note or declare an Event of Default with respect to a particular Note and that such duty shall rest with the specific Investor subject to the terms and limitations of the Purchase Agreement and the Note; *provided, however*, that such proviso shall not apply with respect to the Collateral Agent’s own Note investment. The Collateral Agent may discharge or perform any of its rights or duties under the Purchase Agreement and this Note by or through its agents or employees. The Collateral Agent may be removed and replaced only by the affirmative vote of Investors holding a majority of the principal amount of the Notes issued in the Offering. The Collateral Agent shall not be required to take any action which exposes the Collateral Agent to liability or which is contrary to the provisions of this Note, the Purchase Agreement or applicable law unless the Collateral Agent is furnished with an indemnification reasonably satisfactory to the Collateral Agent with respect thereto. The Collateral Agent shall not be under any obligation to any Investor to ascertain or to inquire as to the observance or performance of any of the representatives, covenants or agreements contained in, or conditions of, the Notes or the Purchase Agreement, or to inspect the properties, books or records of the Company. The Collateral Agent shall not have by reason of the Notes or the Purchase Agreement a fiduciary relationship in respect of any Investor; and nothing in the Notes or the Purchase Agreement, expressed or implied, is intended to or shall be so construed as to confer or impose upon the Collateral Agent any rights or obligations in respect of the Notes or the Purchase Agreement except as expressly set forth herein or therein. To the extent the Collateral Agent is not reimbursed and indemnified by the Company, each Investor will reimburse and indemnify the Collateral Agent in proportion to his, her or its respective portion of the aggregate principal amount of the Notes, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Collateral Agent in exercising or performing his, her or its rights or duties hereunder, or in any way relating to or arising out of the Notes, the Purchase Agreement or any other Offering document.

(f) *Usury.* In the event any interest is paid on this Note which is deemed to be in excess of the then legal maximum rate, then that portion of the interest payment representing an amount in excess of the then legal maximum rate shall be deemed a payment of principal and applied against the principal of this Note.

(g) *Governing Law.* This Note and all actions arising out of or in connection with this Note shall be governed by and construed in accordance with the laws of the State of Florida, without regard to the conflicts of law provisions of the State of Florida, or of any other state.

(h) *Waiver of Jury Trial; Judicial Reference.* By acceptance of this Note, Investor and the Company hereby agree to waive their respective rights to a jury trial of any claim or cause of action based upon or arising out of this Note.

(Signature Page Follows)

The Company has caused this Note to be issued as of the Closing Date on which the Purchase Agreement corresponding to this Note is accepted.

BERNHARD TARAS VENTURES, LLC
A Florida limited liability company

By: _____
Name: Chad L Webb
Title: Manager

Investor agrees to be bound by the provisions of this Note applicable to Investor.

INVESTOR: _____
