

INVESTOR RIGHTS AGREEMENT

THC Grow Systems, LLC The Horticulture Camera

California Limited Liability Company | Silicon Valley / San Jose, California

ATTORNEY-REVIEW DRAFT - NOT A SUBSTITUTE FOR CALIFORNIA SECURITIES OR TAX COUNSEL

This Investor Rights Agreement (the "Agreement") is entered into as of _____, 20____, by and among THC Grow Systems, LLC, a California limited liability company (the "Company"), and the undersigned investor (the "Investor"). The Company develops and commercializes technology associated with The Horticulture Camera and related camera-centered environmental monitoring, automation, power-control, sensor, software, and data systems.

1. Purpose and Relationship to Other Company Documents

1.1 Purpose. This Agreement sets forth certain contractual rights and restrictions applicable to the Investor in connection with the Investor's acquisition of an interest in the Company.

1.2 Other Governing Documents. This Agreement is intended to operate together with the Company's Articles of Organization, Operating Agreement, subscription or purchase agreement, capitalization records, and any other applicable written agreements. If a conflict exists, the parties should have California counsel determine the controlling provision and amend the documents as necessary before execution.

1.3 No Automatic Management Authority. Acquisition of an economic or membership interest does not, by itself, authorize the Investor to bind the Company, direct day-to-day operations, enter contracts for the Company, incur obligations on its behalf, or represent that the Investor is an officer, manager, employee, or agent of the Company.

2. Investment and Ownership

2.1 Investment Amount. Investor agrees to invest \$_____ in the Company, subject to the separate purchase/subscription documentation and acceptance by the Company.

2.2 Interest Acquired. The interest acquired shall be _____% of the Company / _____ units or other interests, as specifically stated in the definitive purchase documents and Company capitalization records.

2.3 Admission as Member. If the transaction contemplates admission of Investor as a member, such admission shall occur only in accordance with applicable California law and the Company's Operating Agreement and written records.

2.4 No Guaranteed Return. The Investor acknowledges that the investment is speculative, may result in loss of the entire investment, is not a bank deposit, and carries no guaranteed dividend, distribution, appreciation, liquidity, or return.

3. Management, Voting, and Founder/Manager Authority

3.1 Manager-Managed Structure. To the extent provided in the Operating Agreement, management and control of the Company shall remain with the duly designated manager(s). The Investor shall have only those voting, consent, approval, and management rights expressly granted by the Operating Agreement, this Agreement, or nonwaivable law.

3.2 Minority Investors. A minority ownership interest does not confer unilateral authority to change product direction, licensing strategy, intellectual-property enforcement, financing strategy, hiring, budgets, commercialization plans, or ordinary business operations.

3.3 Investor Input. The Company may consider business advice, industry expertise, introductions, and strategic recommendations offered by investors, including significant or angel investors. Consideration of such input does not transfer management authority or create a fiduciary, employment, agency, or advisory relationship beyond that imposed by applicable law or separately agreed in writing.

3.4 Reserved Matters. Any matters requiring member approval, supermajority approval, or manager approval shall be governed by the Operating Agreement and applicable law. No reserved-matter right is created by implication under this Agreement.

4. Information and Inspection Rights

4.1 Company Information. Subject to applicable law, confidentiality obligations, privilege, trade-secret protection, and reasonable procedures established by the Company, the Investor may receive information reasonably appropriate to the Investor's ownership status, including periodic high-level business and financial updates where required or authorized.

4.2 Confidential Treatment. Investor shall keep nonpublic financial, technical, commercial, customer, supplier, licensing, patent, software, product-development, security, and strategic information confidential and shall use such information solely to evaluate and monitor the investment.

4.3 Protected Material. Nothing in this Agreement requires disclosure in a manner that would waive attorney-client privilege, work-product protection, third-party confidentiality obligations, or legal protections for trade secrets or other intellectual property.

5. Intellectual Property

5.1 Company Intellectual Property. All patents, patent applications, continuations, improvements, inventions assigned to the Company, trademarks, trade names, copyrights, software, source code, designs, schematics, product concepts, know-how, trade secrets, datasets, documentation, and other intellectual property owned or validly licensed by the Company remain Company property.

5.2 No IP License Through Investment. The Investor's ownership interest does not grant a personal license to manufacture, reproduce, reverse engineer, sublicense, commercialize, disclose, or independently exploit Company intellectual property except as expressly authorized in a separate written agreement.

5.3 Horticulture Camera Brand. The Horticulture Camera and related THC Grow Systems branding, designs, product configurations, and technology may be used only as authorized by the Company and subject to applicable intellectual-property rights.

6. Transfers and Liquidity

6.1 Transfer Restrictions. No Investor interest may be sold, assigned, pledged, encumbered, gifted, or otherwise transferred except in compliance with the Operating Agreement, this Agreement, applicable securities laws, and any Company right of first refusal or other transfer restriction contained in definitive transaction documents.

6.2 No Public Market. Investor understands that no public trading market for the Company's interests is promised and that the Investor may be required to hold the investment for an indefinite period.

6.3 Company Approval. Any transfer requiring Company or manager approval under the Operating Agreement shall be ineffective unless that approval is obtained in the required form.

7. Future Financing and Dilution

7.1 Future Issuances. The Company may, subject to its Operating Agreement and applicable law, issue additional membership interests, economic interests, options, warrants, convertible instruments, or other securities to raise capital, compensate service providers, complete acquisitions, or pursue strategic transactions.

7.2 Dilution. Unless the Investor receives specific preemptive or participation rights in a separate written provision, future issuances may reduce the Investor's percentage ownership.

7.3 No Implied Preemptive Right. No right to participate in future financings is created by this Agreement unless expressly stated in a signed amendment or definitive investment document.

8. Distributions, Taxes, and Records

8.1 Distributions. Distributions, if any, shall be made only as authorized under the Operating Agreement, applicable law, and the Company's financial circumstances. Nothing in this Agreement requires a distribution at any particular time.

8.2 Tax Treatment. The Investor shall be responsible for obtaining independent tax advice regarding the investment. The Company does not guarantee any particular federal or California tax result.

8.3 Records. The Company shall maintain ownership and capitalization records in accordance with its governing documents and applicable requirements.

9. Securities-Law Representations

9.1 Investment Intent. Investor is acquiring the interest for investment and not with a present intent to distribute it in violation of applicable securities laws.

9.2 Independent Review. Investor has had the opportunity to ask questions, review information considered material, consult independent legal, tax, and financial advisers, and evaluate the risks of the investment.

9.3 Compliance. The offer and sale of interests shall be completed only pursuant to an available registration exemption or other lawful basis under applicable federal and California securities laws. The Company and Investor shall execute any additional representations, notices, legends, or filings reasonably required by counsel.

10. Confidentiality and Public Statements

10.1 Confidentiality. Investor shall not disclose Company confidential information except to professional advisers who are bound to preserve confidentiality, or as required by law.

10.2 Publicity. Investor may not issue a press release or use Company names, logos, patents, product images, or nonpublic investment terms for promotional purposes without prior written authorization, except for truthful disclosures required by law.

10.3 Survival. Confidentiality obligations concerning trade secrets shall continue for so long as the information remains legally protectable as a trade secret; other confidentiality duties shall survive termination or transfer to the extent stated in applicable definitive documents.

11. Risk Acknowledgments

11.1 Development and Commercialization Risk. Investor acknowledges that technology development, manufacturing, regulatory requirements, supply chains, software development, cybersecurity, intellectual-property disputes, licensing, market adoption, competition, financing needs, and commercialization may affect the Company's results.

11.2 Patent and Intellectual-Property Risk. Patents and applications do not guarantee commercial success, freedom to operate, enforceability in every circumstance, successful enforcement, or absence of third-party claims.

11.3 No Reliance on Projections. Any forecast, valuation, market estimate, sales target, development schedule, or forward-looking statement is inherently uncertain and is not a guarantee of future performance.

12. Governing Law and Dispute Provisions

12.1 Governing Law. This Agreement shall be governed by the laws of the State of California, without giving effect to conflict-of-law principles that would require application of another jurisdiction's law.

12.2 Venue. Subject to any enforceable dispute-resolution provision in the Operating Agreement or other definitive agreement, the parties consent to appropriate state or federal courts located in Santa Clara County, California, for disputes arising from this Agreement.

12.3 Attorneys' Fees. If the parties wish to include a prevailing-party attorneys' fees provision, California counsel should insert and review that provision before execution. No such fee-shifting right is created by this draft.

13. General Provisions

13.1 Entire Agreement. Together with the definitive investment documents and governing Company documents, this Agreement constitutes the parties' agreement concerning the rights addressed here and supersedes prior inconsistent oral statements concerning those rights.

13.2 Amendments. Any amendment must be in writing and signed by the parties whose consent is required under this Agreement and the Operating Agreement.

13.3 Severability. If a provision is held unenforceable, the remaining provisions shall remain effective to the fullest extent permitted by law, and the invalid provision shall be construed or replaced as closely as legally permissible to reflect the intended economic arrangement.

13.4 Counterparts and Electronic Signatures. This Agreement may be executed in counterparts and, to the extent permitted by applicable law, by electronic signature.

13.5 No Waiver. Failure to enforce a provision on one occasion does not waive future enforcement of that provision or any other provision.

14. Investor Information

Investor legal name	
Entity type (if applicable)	
Mailing address	
Email / phone	
Investment amount	\$
Ownership / units	
Date	

15. Signatures

THC GROW SYSTEMS, LLC

By: _____

Name: Chris Rognstad

Title: Founder / Authorized Representative

Date: _____

INVESTOR

Signature: _____

Printed Name: _____

Title (if entity): _____

Date: _____

Attorney Review Checklist Before Use

- Confirm the Company's exact California legal name, entity number, principal office, manager-managed/member-managed status, and current Operating Agreement.
- Coordinate this Agreement with the subscription/purchase agreement and Operating Agreement so ownership, voting, transfer, dilution, and distribution provisions do not conflict.
- Determine the federal and California securities-law exemption for each offering and complete required notices/filings.
- Confirm investor qualification and disclosure requirements for the specific offering.
- Confirm treatment of existing and future patents, patent applications, trademarks, software, inventions, and assignments.
- Review tax classification, allocations, distributions, and investor tax reporting.
- Insert any negotiated information rights, pro rata rights, right of first refusal, co-sale/tag-along, drag-along, registration rights, board/observer rights, or protective provisions only when intentionally granted.

DRAFT FOR REVIEW

This form should be reviewed and customized by California counsel before it is offered for signature or used to sell an ownership interest.