

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

FORM C

UNDER THE SECURITIES ACT OF 1933

(Mark one.)

- Form C: Offering Statement
- Form C-U: Progress Update
- Form C/A: Amendment to Offering Statement
  - Check box if Amendment is material and investors must reconfirm within five business days.
- Form C-U: Progress Update
- Form C-AR: Annual Report
- Form C-AR/A: Amendment to Annual Report
- Form C-TR: Termination of Reporting

***Name of issuer***

Up Sonder, LLC

***Legal status of issuer***

***Form***

Limited Liability Company

***Jurisdiction of Organization***

Delaware

***Date of organization***

Oct 14, 2015

***Physical address of issuer***

5482 Wilshire Boulevard, Los Angeles, CA 90036, USA

***Website of issuer***

www.upsonder.com

***Name of intermediary through which the Offering will be conducted***

OpenDeal Portal LLC, (the "Intermediary" aka "Republic" or "Republic.co")

***CIK number of the Intermediary***

0001751525

***SEC file number of the Intermediary***

007-00167

***CRD number, if applicable, of the Intermediary***

283874

**Name of qualified third party "Escrow Agent" which the Offering will utilize**  
Prime Trust LLC

**Amount of compensation to be paid to the Intermediary, whether as a dollar amount or a percentage of the Offering amount, or a good faith estimate if the exact amount is not available at the time of the filing, for conducting the Offering, including the amount of referral and any other fees associated with the Offering**

6.0% of the amount raised

**Any other direct or indirect interest in the issuer held by the Intermediary, or any arrangement for the Intermediary to acquire such an interest**

2.0% of the Securities being issued in this Offering

**Type of security offered**

Units of Crowd SAFE (Simple Agreement for Future Equity)

**Target number of the Securities to be offered**

25,000

**Price (or method for determining price)**

\$1.00

**Target offering amount**

\$25,000.00

**Oversubscriptions accepted:**

Yes

No

**Oversubscriptions will be allocated:**

Pro-rata basis

First-come, first-served basis

Other: at the Company's discretion

**Maximum offering amount (if different from the Target Offering Amount)**

\$1,070,000.00

**Deadline to reach the Target Offering Amount**

July 31, 2019

**NOTE: If the sum of the investment commitments does not equal or exceed the Target Offering Amount at the Offering deadline, no Securities will be sold in the Offering, investment commitments will be cancelled and committed funds will be returned.**

**Current number of employees**

0

|                                    | <b>Most recent fiscal year-end (December 31, 2018)</b> | <b>Prior fiscal year-end (December 31, 2017)</b> | <b>Previously disclosed prior year-end (December 31, 2016)</b> |
|------------------------------------|--|--|--|
| <b>Total Assets</b>                | \$6,142.00   | \$12,184.00                                      | \$9,661.00   |
| <b>Cash &amp; Cash Equivalents</b> | \$5,993.00   | \$10,139.00                                      | \$9,661.00   |
| <b>Accounts Receivable</b>         | \$0.00   | \$0.00   | \$0.00   |
| <b>Short-term Debt</b>             | \$34,716.00  | \$35,402.00                                      | \$35,188.00  |
| <b>Long-term Debt</b>              | \$62,306.00  | \$63,319.00                                      | \$15,000.00  |
| <b>Revenues/Sales</b>              | \$15,591.00  | \$25,704.00                                      | \$199.00   |
| <b>Cost of Goods Sold</b>          | \$0.00   | \$0.00   | \$0.00   |
| <b>Taxes Paid</b>                  | \$0.00   | \$0.00   | \$0.00   |
| <b>Net Income</b>                  | \$(64,343)   | (\$199,509.00)                                   | (\$240,807.00)   |

***The jurisdictions in which the issuer intends to offer the Securities:***

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District Of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virgin Islands, U.S., Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

April 29, 2019

FORM C-A

Up to \$1,070,000.00

Up Sonder, LLC



### Units of Crowd SAFE (Simple Agreement for Future Equity)

This Form C-A (including the cover page and all exhibits attached hereto, the “*Form C*”) is being furnished by Up Sonder, LLC, a Delaware limited liability company (the “*Company*,” as well as references to “*we*,” “*us*,” or “*our*”), to prospective investors for the sole purpose of providing certain information about a potential investment in Units of Crowd SAFE (Simple Agreement for Future Equity) of the Company (the “*Securities*”). Investors purchasing the Securities are sometimes referred to herein as “*Purchasers*.” The Company intends to raise at least \$25,000.00 (the “*Target Offering Amount*” or “*Minimum Amount*”) and up to \$1,070,000.00 (the “*Maximum Amount*”) from Purchasers in the offering of the Securities described in this Form C (this “*Offering*”). The minimum amount of the Securities that can be purchased is \$100.00 per Purchaser (which may be waived by the Company, in its sole and absolute discretion subject to the Intermediary’s terms of service). The offer made hereby is subject to modification, prior sale and withdrawal at any time.

The rights and obligations of Purchasers are set forth below in the section entitled “*The Offering and the Securities—The Securities*.” In order to purchase the Securities, a prospective investor must complete the purchase process through the Intermediary’s portal. Purchases may be accepted or rejected by the Company, in its sole and absolute discretion. The Company has the right to cancel or rescind its offer to sell the Securities at any time and for any reason. The Intermediary (as defined below) has the ability to reject any investment commitment made by a Purchaser and may cancel or rescind the Company’s offer to sell the Securities at any time for any reason.

The Offering is being made through OpenDeal Portal LLC dba Republic (the “*Intermediary*”). The Intermediary will be entitled to receive 6% of the cash proceeds and 2% of the Securities being issued in this Offering related to the purchase and sale of the Securities, as shown below:

|   | Price to Purchasers | Service Fees and Commissions (1)(2) | Net Proceeds   |
|---|---------------------|-------------------------------------|----------------|
| <b>Minimum Individual Purchase Amount (3)</b> | \$100.00            | \$6.00                              | \$94.00        |
| <b>Aggregate Minimum Amount</b>               | \$25,000.00         | \$1,500.00                          | \$23,500.00    |
| <b>Aggregate Maximum Amount</b>               | \$1,070,000.00      | \$64,200.00                         | \$1,005,800.00 |

- (1) This excludes fees to Company's advisors, such as attorneys and accountants.
- (2) The Intermediary will receive 2% of the Securities being issued in this Offering in connection with the Offering.
- (3) The Company reserves the right to amend the Minimum Individual Purchase Amount, in its sole discretion.

**A crowdfunding investment involves risk. You should not invest any funds in this Offering unless you can afford to lose your entire investment. In making an investment decision, Purchasers must rely on their own examination of the issuer and the terms of this Offering, including the merits and risks involved. These Securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document. The U.S. Securities and Exchange Commission (the "SEC") does not pass upon the merits of any Securities offered or the terms of the Offering, nor does it pass upon the accuracy or completeness of any Offering document or other literature. These Securities are offered under an exemption from registration; however, neither the SEC nor any state securities authority has made an independent determination that these Securities are exempt from registration. The Company filing this Form C for an offering in reliance on Section 4(a)(6) of the Securities Act of 1933, as amended (the "Securities Act") and pursuant to Regulation Crowdfunding (§ 227.100 et seq.), as amended ("Regulation CF") must file a report with the SEC annually and post the report on its website at [www.upsonder.com](http://www.upsonder.com) no later than 120 days after the end of each fiscal year covered by the report. The Company may terminate its reporting obligations in the future in accordance with Rule 202(b) of Regulation CF (§ 227.202(b)) by (1) being required to file reports under Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (2) filing at least one annual report pursuant to Regulation CF and having fewer than 300 holders of record, (3) filing annual reports for three years pursuant to Regulation CF and having assets equal to or less than \$10,000,000, (4) the repurchase of all the Securities sold in this Offering by the Company or another party, or (5) the liquidation or dissolution of the Company.**

The date of this Form C-A is April 29, 2019.

The Company has certified that all of the following statements are TRUE for the Company in connection with this Offering:

- (1) The Company is organized under, and subject to, the laws of a State or territory of the United States or the District of Columbia;
- (2) The Company is not subject to the requirement to file reports pursuant to section 13 or section 15(d) of the Exchange Act (15 U.S.C. 78m or 78o(d));
- (3) The Company is not an investment company, as defined in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a-3), or excluded from the definition of investment company by section 3(b) or section 3(c) of that Act (15 U.S.C. 80a-3(b) or 80a-3(c));
- (4) The Company is not ineligible to offer or sell securities in reliance on section 4(a)(6) of the Securities Act (15 U.S.C. 77d(a)(6)) as a result of a disqualification as specified in § 227.503(a);

- (5) The Company has filed with the SEC and provided to investors, to the extent required, any ongoing annual reports required by law during the two years immediately preceding the filing of this Form C; and
- (6) The Company has a specific business plan, which is not to engage in a merger or acquisition with an unidentified company or companies.

THERE ARE SIGNIFICANT RISKS AND UNCERTAINTIES ASSOCIATED WITH AN INVESTMENT IN THE COMPANY AND THE SECURITIES. THE SECURITIES OFFERED HEREBY ARE NOT PUBLICLY TRADED AND ARE SUBJECT TO TRANSFER RESTRICTIONS. THERE IS NO PUBLIC MARKET FOR THE SECURITIES AND ONE MAY NEVER DEVELOP. AN INVESTMENT IN THE COMPANY IS HIGHLY SPECULATIVE. THE SECURITIES SHOULD NOT BE PURCHASED BY ANYONE WHO CANNOT BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME AND WHO CANNOT AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. SEE THE SECTION OF THIS FORM C ENTITLED "RISK FACTORS."

THESE SECURITIES INVOLVE A HIGH DEGREE OF RISK THAT MAY NOT BE APPROPRIATE FOR ALL PURCHASERS.

THIS FORM C DOES NOT CONSTITUTE AN OFFER IN ANY JURISDICTION IN WHICH AN OFFER IS NOT PERMITTED.

PRIOR TO CONSUMMATION OF THE PURCHASE AND SALE OF ANY SECURITY THE COMPANY WILL AFFORD PROSPECTIVE PURCHASERS AN OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM THE COMPANY AND ITS MANAGEMENT CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING AND THE COMPANY. NO SOURCE OTHER THAN THE INTERMEDIARY HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS FORM C, AND IF GIVEN OR MADE BY ANY OTHER SUCH PERSON OR ENTITY, SUCH INFORMATION MUST NOT BE RELIED ON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

PROSPECTIVE PURCHASERS ARE NOT TO CONSTRUE THE CONTENTS OF THIS FORM C AS LEGAL, ACCOUNTING OR TAX ADVICE OR AS INFORMATION NECESSARILY APPLICABLE TO EACH PROSPECTIVE INVESTOR'S PARTICULAR FINANCIAL SITUATION. EACH INVESTOR SHOULD CONSULT HIS OR HER OWN FINANCIAL ADVISER, COUNSEL AND ACCOUNTANT AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING HIS OR HER INVESTMENT.

THE SECURITIES OFFERED HEREBY WILL HAVE TRANSFER RESTRICTIONS. NO SECURITIES MAY BE PLEDGED, TRANSFERRED, RESOLD OR OTHERWISE DISPOSED OF BY ANY PURCHASER EXCEPT PURSUANT TO RULE 501 OF REGULATION CF. PURCHASERS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

#### **NASAA UNIFORM LEGEND**

IN MAKING AN INVESTMENT DECISION PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

## **SPECIAL NOTICE TO FOREIGN INVESTORS**

IF PURCHASER LIVES OUTSIDE THE UNITED STATES, IT IS THE PURCHASER'S RESPONSIBILITY TO FULLY OBSERVE THE LAWS OF ANY RELEVANT TERRITORY OR JURISDICTION OUTSIDE THE UNITED STATES IN CONNECTION WITH ANY PURCHASE OF THE SECURITIES, INCLUDING OBTAINING REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER REQUIRED LEGAL OR OTHER FORMALITIES. THE COMPANY RESERVES THE RIGHT TO DENY THE PURCHASE OF THE SECURITIES BY ANY FOREIGN PURCHASER.

## **SPECIAL NOTICE TO CANADIAN INVESTORS**

IF PURCHASER LIVES WITHIN CANADA, IT IS THE PURCHASER'S RESPONSIBILITY TO FULLY OBSERVE THE LAWS OF CANADA, SPECIFICALLY WITH REGARD TO THE TRANSFER AND RESALE OF ANY SECURITIES ACQUIRED IN THIS OFFERING. THIS FORM C DOES NOT CONSTITUTE AN OFFER IN ANY JURISDICTION IN WHICH AN OFFER IS NOT PERMITTED.

## **NOTICE REGARDING THE ESCROW AGENT**

PRIME TRUST LLC (THE "*ESCROW AGENT*") SERVICING THE OFFERING, HAS NOT INVESTIGATED THE DESIRABILITY OR ADVISABILITY OF AN INVESTMENT IN THIS OFFERING OR THE SECURITIES OFFERED HEREIN. THE ESCROW AGENT MAKES NO REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, OR JUDGEMENT ON THE MERITS OF THE OFFERING OR THE SECURITIES OFFERED HEREIN. THE ESCROW AGENT'S CONNECTION TO THE OFFERING IS SOLELY FOR THE LIMITED PURPOSES OF ACTING AS A SERVICE PROVIDER.

## **Forward Looking Statement Disclosure**

This Form C and any documents incorporated by reference herein or therein contain forward-looking statements and are subject to risks and uncertainties. All statements other than statements of historical fact or relating to present facts or current conditions included in this Form C are forward-looking statements. Forward-looking statements give the Company's current reasonable expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "should," "can have," "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

The forward-looking statements contained in this Form C and any documents incorporated by reference herein or therein are based on reasonable assumptions the Company has made in light of its industry experience, perceptions of historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances. As you read and consider this Form C, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties (many of which are beyond the Company's control) and assumptions. Although the Company believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect its actual operating and financial performance and cause its performance to differ materially from the performance anticipated in the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove incorrect or change,

the Company’s actual operating and financial performance may vary in material respects from the performance projected in these forward-looking statements.

Any forward-looking statement made by the Company in this Form C or any documents incorporated by reference herein or therein speaks only as of the date of this Form C. Factors or events that could cause the Company’s actual operating and financial performance to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

### **Disclaimer of Television Presentation**

The Company’s officers may participate in the filming of a television series and in the course of the filming, may present certain business information to the investor panel appearing on the show (the “**Presentation**”). The Company will not pass upon the merits of, certify, approve, or otherwise authorize the statements made in the Presentation. The Presentation commentary being made should not be viewed as superior or a substitute for the disclosures made in this Form C. Accordingly, the statements made in the Presentation, unless reiterated in the offering materials provided herein, should not be applied to the Company’s business and operations as of the date of this offering. Moreover, the Presentation may involve several statements constituting puffery, that is, exaggerations not to be taken literally or otherwise as an indication of factual data or historical or future performance.

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## **ONGOING REPORTING**

Upon the successful completion of this Offering, the Company will file a report electronically with the SEC annually and post the report on its website, no later than 120 days after the end of its next fiscal year.

Once posted, the annual report may be found on the Company's website at: [www.upsonder.com](http://www.upsonder.com).

The Company must continue to comply with the ongoing reporting requirements until:

- (1) the Company is required to file reports under Section 13(a) or Section 15(d) of the Exchange Act;
- (2) the Company has filed at least one annual report pursuant to Regulation CF and has fewer than 300 holders of record;
- (3) the Company has filed at least three annual reports pursuant to Regulation CF and has total assets that do not exceed \$10,000,000;
- (4) the Company or another party repurchases all of the securities issued in reliance on Section 4(a)(6) of the Securities Act, including any payment in full of debt securities or any complete redemption of redeemable securities; or
- (5) the Company liquidates or dissolves its business in accordance with state law.

### **About this Form C**

You should rely only on the information contained in this Form C. We have not authorized anyone to provide you with information different from that contained in this Form C. We are offering to sell and seeking offers to buy the Securities only in jurisdictions where offers and sales are permitted. You should assume that the information contained in this Form C is accurate only as of the date of this Form C, regardless of the time of delivery of this Form C or of any sale of Securities. Our business, financial condition, results of operations, and prospects may have changed since that date.

Statements contained herein as to the content of any agreements or other document are summaries and, therefore, are necessarily selective and incomplete and are qualified in their entirety by the actual agreements or other documents. The Company will provide the opportunity to ask questions of and receive answers from the Company's management concerning the terms and conditions of the Offering, the Company or any other relevant matters and any additional reasonable information to any prospective Purchaser prior to the consummation of the sale of the Securities.

This Form C does not purport to contain all of the information that may be required to evaluate the Offering and any recipient hereof should conduct its own independent analysis. The statements of the Company contained herein are based on information believed to be reliable. No warranty can be made as to the accuracy of such information or that circumstances have not changed since the date of this Form C. The Company does not expect to update or otherwise revise this Form C or other materials supplied herewith. The delivery of this Form C at any time does not imply that the information contained herein is correct as of any time subsequent to the date of this Form C. This Form C is submitted in connection with the Offering described herein and may not be reproduced or used for any other purpose.

### **SUMMARY**

The following summary is qualified in its entirety by more detailed information that may appear elsewhere in this Form C and the Exhibits hereto. Each Purchaser is urged to read this Form C and the Exhibits hereto in their entirety.

The Company is a Delaware limited liability company, formed on October 14, 2015. The Company is currently conducting business under the name of Up Sonder.

The Company is located at 5482 Wilshire Boulevard, Los Angeles, CA 90036, USA and has a website located at [www.upsonder.com](http://www.upsonder.com).

The Company primarily conducts business from its headquarters in Los Angeles, California.

The information available on or through the Company’s website is not a part of this Form C. In making an investment decision with respect to the Securities, you should only consider the information contained in this Form C.

### **The Business**

The Company provides an online marketplace for businesses and the general public to search for and hire FAA-certified drone pilots (the “*Services*”).

### **The Offering**

|  |   |
|--|---|
| <b>Minimum Amount of Securities being offered</b>                              | 25,000  |
| <b>Total Securities outstanding after Offering (if Minimum Amount reached)</b> | 25,000*   |
| <b>Maximum Amount of Securities being offered</b>                              | 1,070,000   |
| <b>Total Securities outstanding after Offering (if Maximum Amount reached)</b> | 1,070,000*  |
| <b>Purchase price per Security</b>   | \$1.00  |
| <b>Minimum investment amount per investor<sup>+</sup></b>                      | \$100.00 <sup>+</sup>   |
| <b>Offering deadline</b>   | July 31, 2019   |
| <b>Use of proceeds</b>   | See the description of the use of proceeds on page 22 hereof.   |
| <b>Voting Rights</b>   | The Securities have no voting rights at present or when converted. See the description on page 31 hereof. |

\*The total number of the Securities outstanding is subject to increase in an amount equivalent to the Intermediary’s commission of 2% of the Securities issued in the Offering(s).

+ The Company reserves the right to amend the minimum investment amount per investor, in its sole discretion.

## **RISK FACTORS**

### **Risks Related to the Company’s Business and Industry**

#### ***The Company’s business and operations are sensitive to general business and economic conditions in the United States.***

The Company’s business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Company’s control could cause fluctuations in these conditions. Adverse conditions may include: recession, downturn or otherwise, local competition or changes in consumer taste. Even though the Company maintains its cash with a major financial institution located in the United States of America, which it believes to be credit worthy, and which is insured by the Federal Deposit Insurance Corporation, these adverse conditions could affect the Company’s financial condition and the results of its operations.

***The Company has a limited operating history upon which you can evaluate its performance, and accordingly, the Company's prospects must be considered in light of the risks that any new company encounters.***

The Company is just beginning to implement its business plan and there can be no assurance that it will ever operate profitably. The likelihood of its success should be considered in light of the problems, expenses, difficulties, complications and delays usually encountered by companies in their early stages of development. The Company may not be successful in attaining the objectives necessary for it to overcome these risks and uncertainties.

***To date, the Company has not become profitable, and the Company relies on, and will likely continue to rely on in the future, external financing to fund its operations, which may be difficult to obtain on acceptable terms to the Company.***

Since inception, the Company has relied upon the issuance of membership interests and a loan from an officer of the Company to fund operations. The Company has not achieved profitable results and may incur additional costs prior to becoming profitable. These matters raise substantial doubt about the Company's ability to continue as a going concern. While the Company intends to become profitable in the future, it cannot assure when or if it will be able to do so.

If the Company fails to raise the Minimum Amount in this Offering or fails to execute its business plan successfully, then the Company will need to raise additional money in the future. The exact amount of funds raised, if any, will determine how quickly the Company can reach profitability on its operations. The Company may have difficulty obtaining additional funding and the Company cannot assure Purchasers that additional capital will be available when needed, if at all, or if available, will be obtained on terms acceptable to the Company. If the Company raises additional funds by issuing debt securities, such debt instruments may provide for rights, preferences or privileges senior to the Securities. In addition, the terms of the debt securities issued could impose significant restrictions on the Company's operations. If the Company raises additional funds through collaborations and licensing arrangements, it might be required to relinquish significant rights to its technologies or product candidates or grant licenses on terms that are not favorable to the Company. If adequate funds are not available, the Company may have to delay, scale back, or eliminate some of its operations or our research development and commercialization activities. Under these circumstances, if the Company is unable to acquire additional capital or is required to raise it on terms that are less satisfactory than desired, it may have a material adverse effect on its financial condition.

***The amount of capital the Company is attempting to raise in this Offering is not enough to sustain the Company's current business plan.***

In order to achieve the Company's near and long-term goals, the Company will need to procure funds in addition to the amount raised in the Offering. There is no guarantee the Company will be able to raise such funds on acceptable terms or at all. If we are not able to raise sufficient capital in the future, we will not be able to execute our business plan, our continued operations will be in jeopardy and we may be forced to cease operations and sell or otherwise transfer all or substantially all of our remaining assets, which could cause a Purchaser to lose all or a portion of his or her investment.

***The Company is reliant on funding provided by its CEO, Derek Waleko, the loss of which may affect the Company's operations.***

The Company's CEO, Derek Waleko, has been providing personal loans to the Company to cover operational needs. If Mr. Waleko became unwilling or unable to continue funding the Company's operations, then the Company will need to procure external financing, or its financial condition and results of operations could be negatively affected.

***The Company's success depends on the experience and skill of its managers and officers, and the loss of any one of them could affect the Company's business.***

In particular, the Company is dependent on Derek Waleko, who is the Chief Executive Officer of the Company, Dr. Isaac A. Nabors, who is the President of the Company, and Dr. Sung Moon Kang, who is the Chief Technology Officer of the Company. Mr. Waleko and Mr. Nabors oversee and manage accounting, development, R&D, talent scouting, customer service, mission planning, strategies, and fund raising of the Company. Dr. Sung Moon Kang oversees R&D issues within the Company. The Company has or intends to enter into employment agreements with Derek Waleko, Dr. Isaac A. Nabors, and Dr. Sung Moon Kang, although there can be no assurance that it will do so or that they will continue to be employed by the Company for a particular period of time. The loss of Derek Waleko, Dr. Isaac A. Nabors, and Dr. Sung Moon Kang or any managers or executive officers could harm the Company's business, financial condition, cash flow and results of operations.

***Although dependent on certain key personnel, the Company has no way to guarantee key personnel will stay with the Company.***

The Company is dependent on certain key personnel in order to conduct its operations and execute its business plan, however, the Company has not purchased any insurance policies with respect to those individuals in the event of their death or disability. Therefore, if any of these personnel die or become disabled, the Company will not receive any compensation to assist with such person's absence. The loss of such person could negatively affect the Company and its operations. The Company has no way to guarantee key personnel will stay with the Company, as many states, especially California, may not enforce certain non-competition agreements, and therefore acquiring key man insurance will not ameliorate all of the risk of relying on key personnel.

***In order for the Company to compete and grow, it must attract, recruit, retain and develop the necessary personnel who have the needed experience.***

Recruiting and retaining highly qualified personnel is critical to our success. These demands may require us to hire additional personnel and will require our existing management personnel to develop additional expertise. We face intense competition for personnel. The failure to attract and retain personnel or to develop such expertise could delay or halt the development and commercialization of the Services. If we experience difficulties in hiring and retaining personnel in key positions, we could suffer from delays in product development, loss of customers and sales and diversion of management resources, which could adversely affect operating results. Our consultants and advisors may be employed by third parties and may have commitments under consulting or advisory contracts with third parties that may limit their availability to us.

***The Company may implement new lines of business or offer new products and services within existing lines of business, which may not prove successful.***

There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. In developing and marketing new lines of business and/or new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved, and price and profitability targets may not prove feasible. We may not be successful in introducing new products and services in response to industry trends or developments in technology, or those new services may not achieve market acceptance. As a result, we could lose business, be forced to price products and services on less advantageous terms to retain or attract clients, or be subject to cost increases. As a result, our business, financial condition or results of operations may be adversely affected.

***The Company relies on Independent Contractors to provide the Services, meet its regulatory and contractual obligations to its customers and conduct its operations.***

The Company depends on independent contractors, namely, drone pilots certified by U.S. Federal Aviation Administration (the "***Independent Contractors***"), to provide the Services to its customers and conduct its operations. The Company's ability to meet its obligations to its customers may be adversely affected if the Independent Contractors do not perform the agreed-upon services in compliance with regulatory

requirements, customer requirements and in a timely and cost-effective manner. The Independent Contractors may be unable to quickly recover from natural disasters and other events beyond their control and may be subject to additional risks such as financial problems that limit their ability to conduct their operations.

***The Company may be adversely affected if Independent Contractors engaged by the Company have been or act in a non-compliant massin with respect to FAA regulations.***

All commercial drone operations need to be conducted by a pilot licensed by the U.S. Federal Aviation Administration (“*FAA*”), and the drones being flown to conduct the operations must be registered with the FAA and labeled with their registration numbers. Also, FAA airspace rules and regulations must be followed during operations. For example, the Independent Contractors shall have a valid public liability insurance and shall not fly in restricted airspace, or without the proper FAA flight waivers. Non-compliance of the Independent Contractors with any of the FAA regulations for commercial flying, specifically Part 107 rules, could have an adverse impact on the Company.

***Changes in government regulations could adversely impact the Independent Contractors and the Company.***

The success of the Company’s operations relies heavily on government regulations and the ability of the Independent Contractors to commercially operate drones in compliance with such regulations, particularly those promulgated by the FAA. The Company expects that court actions and regulatory proceedings will continue to refine the Independent Contractors’ rights and obligations under applicable regulations, the results of which cannot be predicted. Modifications to existing requirements or imposition of new requirements or limitations could have an adverse impact on the Company.

***The Independent Contractors and their drones may cause incidents, including collisions that injure people and destroy property.***

The Independent Contractors have multiple potential obstacles associated with flying drones ranging from structures to weather and everything in between. The risk of something going wrong, such as a collision that injures a person or damages equipment, is inherent cannot be predicted. Potential drones-related incidents could have an adverse impact on the Company.

***The Company may fail to improve the Services in a competitive, demanding and rapidly changing environment.***

To succeed in the competitive industry, the Company must continually improve the Services to include newer features, functionality or solutions, and keep pace with price-to-performance gains in the industry. Shortened product life cycles due to customer demands and competitive pressures impact the pace at which the Company must introduce and implement new technology. This requires a high level of innovation by both the Company’s software developers and the Independent Contractors. In addition, bringing new solutions to the market entails a costly and lengthy process, and requires us to accurately anticipate customer needs and technology trends. The Company must continue to respond to market demands or the Company’s business operations may be adversely affected.

The Company’s future results may be affected if it is unsuccessful in its efforts to enter into agreements with customers from oil & gas, agriculture, construction, survey, real estate, insurance, journalism, and film industries. As a result of these and other factors, the Company’s ability to introduce new or improved solutions could be adversely impacted and the Company’s business would be negatively affected.

***The Company’s competitors may have greater resources and superior expertise.***

The Company’s main competitors are PrecisionHawk and DroneBase. Our competitors may have significantly greater financial, technical and human resources than we have and superior expertise in marketing the Services. These competitors also compete with us in recruiting and retaining qualified personnel, the Independent Contractors, and acquiring technologies. Smaller or early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Accordingly, our competitors may commercialize the Services more rapidly or

effectively than we are able to, which would adversely affect our competitive position, the likelihood that the Services will achieve initial market acceptance and our ability to generate meaningful additional revenues from the Services.

***The Company's inability to address a quality or safety issue may cause negative publicity, a loss of customer confidence, and regulatory penalties.***

Our future success depends on our ability to maintain and continuously improve our quality management program. An inability to address a quality or safety issue in an effective and timely manner may also cause negative publicity, a loss of customer confidence in us or our current or future services, and regulatory penalties, which may result in the loss of sales and difficulty in successfully launching new services. In addition, a successful claim brought against us, or any claim that results in significant adverse publicity against us, could have an adverse effect on our business and our reputation.

***The Company intends to use the proceeds from the Offering for unspecified working capital.***

This means that the Company has ultimate discretion to use the proceeds as it sees fit and has chosen not to set forth any specific uses for you to evaluate. The net proceeds from this Offering will be used for the purposes, which our management deems to be in our best interests in order to address changed circumstances or opportunities. As a result of the foregoing, our success of will be substantially dependent upon our discretion and judgment with respect to application and allocation of the net proceeds of this Offering. The Company may choose to use the proceeds in a manner that you do not agree with and you will have no recourse. A use of proceeds that does not further the Company's business and goals could harm the Company and its operations and ultimately cause a Purchaser to lose all or a portion of his or her investment.

***The Company's business could be negatively impacted by cyber security threats, attacks and other disruptions.***

Like others in the industry, the Company may face advanced and persistent attacks on its information infrastructure where it manages and stores various proprietary information and sensitive/confidential data relating to its operations. These attacks may include sophisticated malware (viruses, worms, and other malicious software programs) and phishing emails that attack the Services or otherwise exploit any security vulnerabilities. These intrusions sometimes may be zero-day malware that are difficult to identify because they are not included in the signature set of commercially available antivirus scanning programs. Experienced computer programmers and hackers may be able to penetrate the Company's network security and misappropriate or compromise the Company's confidential information or that of its customers or other third-parties, create system disruptions, or cause shutdowns. Additionally, sophisticated software and applications that the Company produces or procures from third-parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of the information infrastructure. A disruption, infiltration or failure of the Company's information infrastructure systems or any of the Company's data centers as a result of software or hardware malfunctions, computer viruses, cyber-attacks, employee theft or misuse, power disruptions, natural disasters or accidents could cause breaches of data security, loss of critical data and performance delays, which in turn could adversely affect the Company's business.

***Security breaches of confidential customer information, in connection with electronic processing of credit and debit card transactions, or confidential employee information may adversely affect the Company's business.***

The Company's business requires the collection, transmission and retention of employee information and customer data, including credit and debit card numbers and other personally identifiable information, in various information technology systems that the Company maintains and in those maintained by third parties with whom the Company contracts to provide services. The integrity and protection of that customer and employee data is critical to the Company. The information, security and privacy requirements imposed by governmental regulation are increasingly demanding. The Company's systems may not be able to satisfy these changing requirements and customer and employee expectations, or may require significant additional investments or time in order to do so. A breach in the security of the Company's information technology

systems or those of the Company's service providers could lead to an interruption in the operation of its systems, resulting in operational inefficiencies and a loss of profits. Additionally, a significant theft, loss or misappropriation of, or access to, customers' or other proprietary data or other breach of the Company's information technology systems could result in fines, legal claims or proceedings.

***Negative public opinion, including on social media, could damage the Company's reputation and adversely affect its business.***

Our reputation and the quality of our brand are critical to our business and success in existing markets, and will be critical to our success as we enter new markets. Any incident that erodes consumer loyalty for our brand could significantly reduce its value and damage our business. Reputation risk, or the risk to our business from negative public opinion, is inherent in our business. Negative public opinion can result from the Company's actual or alleged conduct. There may be times when customers dislike the Services. The customers who dislike the Services may leave negative reviews, which may influence other potential customers' opinion about the Services and decrease the Company's sales. This may result in negative public opinion about the Company and the Services. Negative public opinion can adversely affect the Company's ability to attract and retain customers and employees and can expose the Company to litigation and regulatory action, which may be expensive and time-consuming.

Also, there has been a marked increase in the use of social media platforms and similar devices, including blogs, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. The availability of information on social media platforms is virtually immediate as is its impact. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects or business. The harm may be immediate and may disseminate rapidly and broadly, without affording us an opportunity for redress or correction.

***From time to time, third parties may claim that the Company and/ or the Services infringe their intellectual property rights.***

Any dispute or litigation regarding trademarks or other intellectual property could be costly and time-consuming due to the uncertainty of intellectual property litigation and could divert our management and key personnel from our business operations. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, could require us to redesign the Services, which would be costly and time-consuming, and/or could subject us to an injunction against development and sale of the Services. We may have to pay substantial damages, including damages for past infringement if it is ultimately determined that the Services infringe third party's proprietary rights. Even if these claims are without merit, defending a lawsuit takes significant time, may be expensive and may divert management's attention from other business concerns. Any public announcements related to litigation or interference proceedings initiated or threatened against us could cause our business to be harmed. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of intellectual property infringement. In certain of our businesses we rely on third party intellectual property licenses and we cannot ensure that these licenses will be available to us in the future on favorable terms or at all.

***The Company is subject to income taxes as well as non-income-based taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes.***

Significant judgment is required in determining our provision for income taxes and other tax liabilities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe that our tax estimates are reasonable: (i) there is no assurance that the final determination of tax audits or tax disputes will not be different from what is reflected in our income tax provisions, expense amounts for non-income-based taxes and accruals, and (ii) any material differences could have an adverse effect on our financial position and results of operations in the period or periods for which determination is made.

***The Company has not prepared any audited financial statements.***

Attached as Exhibit A to this Form C, you will find GAAP compliant financials for the Company's fiscal years, 2017 and 2018, which were reviewed by IndigoSpire CPA Group, LLC – these financial statements have not been audited. You have no audited financial information regarding the Company's capitalization or assets or liabilities on which to make your investment decision. If you feel the information provided is insufficient, you should not invest in the Company.

***The Company is not subject to Sarbanes-Oxley regulations and may lack the financial controls and procedures of public companies.***

The Company may not have the internal control infrastructure that would meet the standards of a public company, including the requirements of the Sarbanes Oxley Act of 2002. As a privately-held (non-public) Company, the Company is currently not subject to the Sarbanes Oxley Act of 2002, and its financial and disclosure controls and procedures reflect its status as a development stage, non-public company. There can be no guarantee that there are no significant deficiencies or material weaknesses in the quality of the Company's financial and disclosure controls and procedures. If it were necessary to implement such financial and disclosure controls and procedures, the cost to the Company of such compliance could be substantial and could have a material adverse effect on the Company's results of operations.

**Risks Related to the Securities**

***The SEC does not pass upon the merits of the Securities or the terms of this Offering, nor does it pass upon the accuracy or completeness of any offering document or literature.***

You should not rely on the fact that our Form C is accessible through the SEC's EDGAR filing system as an approval, endorsement or guarantee of compliance as it relates to this Offering.

***The Company's management may have broad discretion in how the Company uses the net proceeds of this Offering.***

Unless the Company has agreed to a specific use of the proceeds from this Offering, the Company's management will have considerable discretion over the use of proceeds from this Offering. You may not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately.

***The Company has the right to limit individual Purchasers' commitment amount based on the Company's determination of a Purchaser's sophistication.***

The Company may prevent Purchasers from committing more than a certain amount to this Offering based on the Company's belief of the Purchaser's sophistication and ability to assume the risk of the investment. This means that your desired investment amount may be limited or lowered based solely on the Company's determination and not in line with relevant investment limits set forth by the Regulation CF rules. This also means that other Purchasers may receive larger allocations of the Offering based solely on the Company's determination.

***The Securities will not be freely tradable until one year from the initial purchase date. Although the Securities may be tradable under federal securities law, state securities regulations may apply, and each Purchaser should consult with his or her attorney before transferring his or her Securities.***

Purchasers should be aware of the long-term nature of this investment. There is not now and likely will not be a public market for the Securities. Because the Securities have not been registered under the Securities Act or under the securities laws of any state or non-United States jurisdiction, the Securities have transfer restrictions and cannot be resold in the United States except pursuant to Rule 501 of Regulation CF. It is not currently contemplated that registration under the Securities Act or other securities laws will be effected. Limitations on the transfer of the Securities may also adversely affect the price that Purchasers may be able to obtain for the Securities in a private sale. Each Purchaser in this Offering will be required to represent that it is purchasing the Securities for its own account, for investment purposes and not with a view to resale or distribution thereof.

***Neither the Offering nor the Securities have been registered under federal or state securities laws, leading to an absence of certain regulation applicable to the Company.***

No governmental agency has reviewed or passed upon this Offering, the Company or any Securities of the Company. The Company also has relied on exemptions from securities registration requirements under applicable state securities laws. Investors in the Company, therefore, will not receive any of the benefits that such registration would otherwise provide. Prospective investors must therefore assess the adequacy of disclosure and the fairness of the terms of this Offering on their own or in conjunction with their personal advisors.

Compliance with the criteria for securing exemptions under federal securities laws and the securities laws of the various states is extremely complex, especially in respect of those exemptions affording flexibility and the elimination of trading restrictions in respect of securities received in exempt transactions and subsequently disposed of without registration under the Securities Act or state securities laws. If, and to the extent that, claims or suits for rescission are brought and successfully concluded for failure to register any offering or other offerings or for acts or omissions constituting offenses under the Securities Act, the Exchange Act, or applicable state securities laws, the Company could be materially adversely affected, jeopardizing the Company's ability to operate successfully. Furthermore, the human and capital resources of the Company could be adversely affected by the need to defend actions under these laws, even if the Company is ultimately successful in its defense.

***There is no guarantee of a return on Purchaser's investment.***

There is no assurance that a Purchaser will realize a return on its investment or that it will not lose its entire investment. For this reason, each Purchaser should read the Form C and all Exhibits carefully and should consult with its own attorney and business advisor prior to making any investment decision.

***The Company has the right to extend the Offering deadline and to end the Offering early.***

The Company may extend the Offering deadline beyond what is currently stated herein. This means that your investment may continue to be held with the Escrow Agent while the Company attempts to raise the Minimum Amount even after the Offering deadline stated herein is reached. You have the right to cancel your investment in the event the Company extends the Offering. If you choose to reconfirm your investment, your investment will not be accruing interest during this time and will simply be held until such time as the new Offering deadline is reached. Before the new Offering deadline is reached, if the Company does not receive the Minimum Amount, your investment will be returned to you without interest or deduction, or if the Company receives the Minimum Amount, funds will be released to the Company to be used as set forth herein. Upon or shortly after release of such funds to the Company, the Securities will be issued and distributed to you. The Company may also end the Offering early; if the Offering reaches its Target Offering Amount after 21 calendar days but before the Offering deadline, the Company can end the Offering with 5 business days' notice. This means your failure to participate in the Offering in a timely manner, may prevent you from being able to participate – it also means the Company may limit the amount of capital it can raise during the Offering by ending it early.

***Purchasers will not become equity holders until the Company decides to convert the Securities into CF Shadow Securities or until there is a change of control or sale of substantially all of the Company's assets.***

Purchasers will not have an ownership claim to the Company or to any of its assets or revenues for an indefinite amount of time, and depending on when and how the Securities are converted, Purchasers may never become equity holders of the Company. Purchasers will not become equity holders of the Company unless the Company receives a future round of financing great enough to trigger a conversion and the Company elects to convert the Securities. The Company is generally under no obligation to convert the Securities into CF Shadow Securities (the type of equity Securities Purchasers are entitled to receive upon such conversion). In certain instances, such as a sale of the Company, an IPO or a dissolution or bankruptcy, Purchasers may only have a right to receive cash, to the extent available, rather than equity in the Company.

***The Securities do not provide Purchasers with voting rights, and even upon the conversion of the Securities to CF Shadow Securities (which cannot be guaranteed), Purchasers will be required to enter into a proxy with the Intermediary to ensure any statutory voting rights are voted in tandem with the majority holders of whichever series of securities the CF Shadow Securities follow.***

Purchasers will not have the right to vote upon matters of the Company even if and when their Securities are converted into CF Shadow Securities (which cannot be guaranteed). Upon such conversion, CF Shadow Securities will have no voting rights and even in circumstances where a statutory right to vote is provided by state law, the Purchasers are required to enter into a proxy agreement with the Intermediary ensuring they will vote with the majority of the security holders in the new round of equity financing upon which the Securities were converted. For example, if the Securities are converted upon a series round offering Series B Preferred Shares, the Series B-CF Shadow Security holders will be required to enter into a proxy that allows the Intermediary to vote the same way as a majority of the Series B Preferred Shareholders vote. Thus, Purchasers will never be able to freely vote upon any manager or other matters of the Company.

***Purchasers will not be entitled to any inspection or information rights other than those required by Regulation CF.***

Purchasers will not have the right to inspect the books and records of the Company or to receive financial or other information from the Company, other than as required by Regulation CF. Other security holders may have such rights. Regulation CF requires only the provision of an annual report on Form C and no additional information. This lack of information could put Purchasers at a disadvantage in general and with respect to other security holders.

***There is no present market for the Securities and the Company has arbitrarily set the price.***

The offering price was not established in a competitive market. We have arbitrarily set the price of the Securities with reference to the general status of the securities market and other relevant factors. The Offering price for the Securities should not be considered an indication of the actual value of the Securities and is not based on our net worth or prior earnings. We cannot assure you that the Securities could be resold by you at the Offering price or at any other price.

***Purchasers will be unable to declare the Security in “default” and demand repayment.***

Unlike convertible notes and some other securities, the Securities do not have any “default” provisions upon which Purchasers will be able to demand repayment of their investment. The Company has ultimate discretion as to whether or not to convert the Securities upon a future equity financing and Purchasers have no right to demand such conversion. Only in limited circumstances, such as a Liquidity Event (as defined below), may Purchasers demand payment and even then, such payments will be limited to the amount of cash available to the Company.

***The Company may never elect to convert the Securities or undergo a Liquidity Event.***

The Company may never receive a future equity financing or elect to convert the Securities upon such future financing. In addition, the Company may never undergo a Liquidity Event such as a sale of the Company or an IPO. If neither the conversion of the Securities nor a Liquidity Event occurs, Purchasers could be left holding the Securities in perpetuity. The Securities have numerous transfer restrictions and will likely be highly illiquid, with no secondary market on which to sell them. The Securities are not equity interests, have no ownership rights, have no rights to the Company’s assets or profits and have no voting rights or ability to direct the Company or its actions.

***The CF Shadow Securities acquired upon conversion of the Securities may be significantly diluted as a consequence of subsequent financings.***

The CF Shadow Securities will be subject to dilution. The Company may issue additional equity to employees and third-party financing sources in amounts that are uncertain at this time, and as a consequence Purchasers will be subject to dilution in an unpredictable amount. Such dilution may reduce Purchaser’s control and economic interests in the Company.

The amount of additional financing needed by the Company will depend upon several contingencies not foreseen at the time of this Offering. Each such round of financing (whether from the Company or other investors) is typically intended to provide the Company with enough capital to reach the next major corporate milestone. If the funds are not sufficient, Company may have to raise additional capital at a price unfavorable to the existing investors, including Purchasers. The availability of capital is at least partially a function of capital market conditions that are beyond the control of the Company. There can be no assurance that the Company will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. Failure to obtain such financing on favorable terms could dilute or otherwise severely impair the value of the Purchaser's Securities.

***The CF Shadow Securities may be substantially different from other equity securities offered or issued at the time of conversion.***

The Company may issue to Purchasers equity securities that are materially distinct from equity securities it will issue in the future. The CF Shadow Securities will be distinct from the equity securities issued to new purchasers in at least the following respects: to the extent such equity securities bear any liquidation preferences, dividend rights, or anti-dilution protections, any equity securities issued at the Conversion Price (as provided in the Securities) shall bear such preferences, rights, and protections only in proportion to the Conversion Price and not in proportion to the price per share paid by new investors in equity securities. The Company may not provide Purchasers the same rights, preferences, protections, and other benefits or privileges provided to other purchasers of the Company's equity securities. This paragraph does not purport to be a complete summary of all such distinctions.

***In a dissolution or bankruptcy of the Company, Purchasers will not be treated as priority debt holders and therefore are unlikely to recover any assets in the event of a bankruptcy or dissolution event.***

In a dissolution or bankruptcy of the Company, Purchasers of Securities which have not been converted will be entitled to distributions as described in the Security. This means that such Purchasers will be at the lowest level of priority and will only receive distributions once all creditors as well as holders of more senior securities, including any preferred stock holders, have been paid in full. If the Securities have been converted into CF Shadow Securities, Purchasers will have the same rights and preferences (other than the ability to vote and certain inspection rights) as the holders of the securities issued in the equity financing upon which the Securities were converted. Purchasers are not guaranteed a return in the event of a dissolution event or bankruptcy.

***While the Securities provide for mechanisms whereby a Purchaser would be entitled to a return of his or her purchase amount, if the Company does not have sufficient cash on hand, this obligation may not be fulfilled.***

In certain events provided in the Securities, Purchasers may be entitled to a return of their principal amount. Despite the contractual provisions in the Securities, this right cannot be guaranteed if the Company does not have sufficient liquid assets on hand. Therefore, potential purchasers should not assume that they are guaranteed a return of their investment amount.

In addition to the risks listed above, businesses are often subject to risks not foreseen or fully appreciated by the management. It is not possible to foresee all risks that may affect us. Moreover, the Company cannot predict whether the Company will successfully effectuate the Company's current business plan. Each prospective Purchaser is encouraged to carefully analyze the risks and merits of an investment in the Securities and should take into consideration when making such analysis, among other, the Risk Factors discussed above.

THE SECURITIES OFFERED INVOLVE A HIGH DEGREE OF RISK AND MAY RESULT IN THE LOSS OF YOUR ENTIRE INVESTMENT. ANY PERSON CONSIDERING THE PURCHASE OF THESE SECURITIES SHOULD BE AWARE OF THESE AND OTHER FACTORS SET FORTH IN THIS FORM C AND SHOULD CONSULT WITH HIS OR HER LEGAL, TAX AND FINANCIAL ADVISORS PRIOR TO MAKING AN INVESTMENT IN THE SECURITIES. THE SECURITIES

SHOULD ONLY BE PURCHASED BY PERSONS WHO CAN AFFORD TO LOSE ALL OF THEIR INVESTMENT.

**BUSINESS**

**Description of the Business**

The Company provides an online marketplace for businesses and the general public to search for and hire FAA-certified drone pilots. The Company plans to add an autonomous drone network fitted with wireless charging locations and autonomous drones to keep up with growing demand worldwide.

**History of the Business**

The Company was formed in October 2015 by Derek Waleko and Isaac A. Nabors.

**The Company’s Services**

| Service   | Description                 | Current Market  |
|-----------|-----------------------------|---|
| Up Sonder | Drone Services Marketplace. | Businesses, municipalities, and the general public that need quality aerial data (photogrammetry, video, thermal, mapping, and 3D). Industries that require aerial data include oil & gas, agriculture, construction, survey, real estate, insurance, journalism, and film. |

**Competition**

Because the drone industry is still new, there are no clear leaders, but the Company’s main competitors are PrecisionHawk and DroneBase.

**Supply Chain and Customer Base**

The Company relies on its Independent Contractors to provide drone services to businesses, municipalities, and the general public through the Company’s online marketplace.

**Intellectual Property**

The Company owns the intellectual property from its API software for enterprise clients. The Company also has certain licensing rights to custom real-time kinematic positioning (“*RTK*”) GPS from SySense Inc.

**Trademarks**

The Company currently does not own any trademarks.

**Governmental/Regulatory Approval and Compliance**

Although the Company is not subject to government or regulatory approval to operate its business, the Independent Contractors must comply with the FAA’s rules and regulations. The Company’s business may be affected by certain government regulations as noted in the Risk Factors listed above.

**Litigation**

To the Company’s knowledge, there are no existing legal suits pending, or threatened, against the Company.

## Other

Because this Form C focuses primarily on information concerning the Company rather than the industry in which the Company operates, potential Investors may wish to conduct their own separate investigation of the Company's industry to obtain greater insight in assessing the Company's prospects.

## USE OF PROCEEDS

The following table lists the use of proceeds of the Offering if the Minimum Amount and Maximum Amount are raised.

| Use of Proceeds           | % of Minimum Proceeds Raised | Amount if Minimum Raised | % of Maximum Proceeds Raised | Amount if Maximum Raised |
|---------------------------|------------------------------|--------------------------|------------------------------|--------------------------|
| Intermediary Fees         | 6%                           | \$1,500.00               | 6%                           | \$64,200.00              |
| Estimated Attorney Fees   | 6%                           | \$1,500.00               | 1.5%                         | \$16,050.00              |
| Estimated Accountant Fees | 3%                           | \$750.00                 | 0.5%                         | \$5,350.00               |
| General Marketing         | 40%                          | \$10,000.00              | 47%                          | \$502,900.00             |
| Research and Development  | 20%                          | \$5,000.00               | 20%                          | \$214,000.00             |
| General Working Capital   | 25%                          | \$6,250.00               | 25%                          | \$267,500.00             |
| <b>Total</b>              | <b>100.00%</b>               | <b>\$25,000</b>          | <b>100.00%</b>               | <b>\$1,070,000</b>       |

**The Company may alter the use of proceeds as set forth above in its sole discretion.**

## MANAGERS, OFFICERS AND EMPLOYEES

### Managers and Officers

The managers and officers of the Company are listed below along with all positions and offices held at the Company and their principal occupation and employment responsibilities for the past three (3) years and their educational background and qualifications. As the Company is an limited liability company, Managers have the same role as Directors would for a corporation.

#### *Name*

Derek Waleko

#### *All positions and offices held with the Company and date such position(s) was held with start and ending dates*

Manager, Founder, and Chief Executive Officer, Up Sonder, LLC (Oct 2015 – present)

***Principal occupation and employment responsibilities during at least the last three (3) years with start and ending dates***

Manager, Founder, and Chief Executive Officer, Up Sonder, LLC (Oct 2015 – present). Oversees general operations of the Company, including accounting, R&D, talent scouting, customer service, mission planning, strategies, and fund raising.

***Education***

Texas Tech University (BS), Biology, 2004

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***Name***

Isaac Nabors

***All positions and offices held with the Company and date such position(s) was held with start and ending dates***

Manager, Founder, and President, Up Sonder, LLC (Oct 2015 – present).

***Principal occupation and employment responsibilities during at least the last three (3) years with start and ending dates***

Manager, Founder, and President, Up Sonder, LLC (Oct 2015 – present). Oversees general operations of the Company, including accounting, development, R&D, talent scouting, customer service, mission planning, strategies, and fund raising.

***Education***

Texas Tech University (BS), 2004

Texas Tech University Health Sciences Center (MS), 2007

Andrews University (ScD), Biomechanics, 2015

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***Name***

Dr. Sung Moon Kang

***All positions and offices held with the Company and date such position(s) was held with start and ending dates***

Chief Technology Officer, Up Sonder, LLC (Jan 2019 – present)

***Principal occupation and employment responsibilities during at least the last three (3) years with start and ending dates***

Chief Technology Officer, Up Sonder, LLC (Jan 2019 – present). Oversees R&D issues within the Company.

President, SySense, Inc. (2008 – present). Oversees technical issues within SySense, Inc.

***Education***

Yale University (BS), 1994

Stanford University (MS), 1996

University of California, Los Angeles (PhD) Aerospace Engineering (GN&C), 2006

***Indemnification***

Indemnification is authorized by the Company to managers, officers or controlling persons acting in their professional capacity pursuant to Delaware law. Indemnification includes expenses such as attorney’s fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

## Employees

The Company currently has 0 employees.

## CAPITALIZATION AND OWNERSHIP

### Capitalization

The Company has issued the following outstanding Securities:

|   |   |
|---|---|
| <b>Type of security</b>   | LLC Common Class A Units  |
| <b>Amount outstanding</b>   | 46,000,000  |
| <b>Voting Rights</b>  | Yes, 10 votes per share   |
| <b>Anti-Dilution Rights</b>   | Yes   |
| <b>How this security may limit, dilute or qualify the Securities issued pursuant to Regulation CF</b>   | The Company may decide to authorize and issue additional Common Membership Units, which may dilute the potential value of the Securities. |
| <b>Percentage ownership of the Company by the holders of such securities (assuming conversion prior to the Offering if convertible securities).</b> | 98.80%  |

|   |   |
|---|---|
| <b>Type of security</b>   | LLC Common Class B Units  |
| <b>Amount outstanding</b>   | 5,600,000   |
| <b>Voting Rights</b>  | Yes, 1 vote per share   |
| <b>Anti-Dilution Rights</b>   | Yes   |
| <b>How this security may limit, dilute or qualify the Securities issued pursuant to Regulation CF</b>   | The Company may decide to authorize and issue additional Common Membership Units, which may dilute the potential value of the Securities. |
| <b>Percentage ownership of the Company by the holders of such securities (assuming conversion prior to the Offering if convertible securities).</b> | 1.20%   |

The Company has the following debt outstanding: (i) a revolving business credit line in the amount of \$34,051.92, and (ii) \$65,319.16 through an uncollateralized loan from the Company’s CEO Derek Waleko (without interest and without maturity date). No debt is in default and the Company has not missed any of its payments.

The Company has conducted the following prior Securities offerings in the past three years:

| <b>Security Type</b> | <b>Number Sold</b> | <b>Money Raised</b> | <b>Use of Proceeds</b>  | <b>Offering Date</b> | <b>Exemption from Registration Used or Public Offering</b> |
|----------------------|--------------------|---------------------|---|----------------------|--|
| Class A Common Units | 23,000,000         | \$50,000.00         | Insurance, software/website development, legal fees, accounting fees, travel, and marketing | July 25, 2016        | Rule 4(a)(2)   |
| Class A Common Units | 23,000,000         | \$100,000.00*       | Insurance, software/website development, legal fees, accounting fees, travel, and marketing | July 25, 2016        | Rule 4(a)(2)   |
| Class B Common Units | 4,000,000          | \$250,000.00        | Insurance, software/website development, legal fees, accounting fees, travel, and marketing | July 25, 2016        | Rule 4(a)(2)   |
| Class B Common Units | 1,600,000.00       | \$100,000.00        | Insurance, software/website development, legal fees, accounting fees, travel, and marketing | April 18, 2017       | Rule 4(a)(2)   |

\* Out of this amount, \$79,000.00 is still outstanding and owed to the Company.

### ***Valuation***

There has been no formal valuation of the Company. Purchasers are encouraged to determine his or her own independent value of the Company prior to investing.

### **Ownership**

Below the beneficial owners of 20% percent or more of the Company’s outstanding voting equity securities, calculated on the basis of voting power, are listed along with the amount they own.

| Name         | Percentage Owned on the Basis of Voting Power Prior to Offering |
|--------------|---|
| Derek Waleko | 44.6%   |
| Isaac Nabors | 44.6%   |

## FINANCIAL INFORMATION

Please see the financial information listed on the cover page of this Form C and attached hereto in addition to the following information. Financial statements, which have been reviewed by an independent CPA, are attached hereto as Exhibit A.

### Operations

The Company does not expect to achieve profitability in the next 12 months and intends to utilize the capital raised in this Offering as stated in the Use of Proceeds table.

### Liquidity and Capital Resources

The Offering proceeds are important to the Company’s operations. The Company plans to use the proceeds from this Offering as set forth above in the Use of Proceeds table.

### Capital Expenditures and Other Obligations

The Company does not intend to make any material capital expenditures in the future other than those listed in the Use of Proceeds table above and as described in the Offering Page, which is attached as Exhibit C to this Form C.

### Trends and Uncertainties

After reviewing this Form C in its entirety and the Company’s current business plan, Purchasers should consider the trends and uncertainties that a company in this industry may be subject to, the financial health of the Company and the need for external financing and come to its own evaluation of whether to invest.

The financial statements, attached hereto as Exhibit A, are an important part of this Form C and should be reviewed in their entirety.

## THE OFFERING AND THE SECURITIES

### The Offering

The Company is offering up to 1,070,000 of the Securities for up to \$1,070,000.00. The Company is attempting to raise a minimum amount of \$25,000.00 in this Offering (the “*Minimum Amount*”). The Company must receive commitments from investors in an amount totaling the Minimum Amount by July 31, 2019 (the “*Offering Deadline*”) in order to receive any funds. If the sum of the investment commitments does not equal or exceed the Minimum Amount by the Offering Deadline, no Securities will be sold in the Offering, investment commitments will be cancelled and committed funds will be returned to potential investors without interest or deductions. The Company has the right to extend the Offering Deadline at its discretion. The Company will accept investments in excess of the Minimum Amount up to \$1,070,000.00 (the “*Maximum Amount*”) and the additional Securities will be allocated at the Company’s discretion.

The price of the Securities does not necessarily bear any relationship to the Company's asset value, net worth, revenues or other established criteria of value, and should not be considered indicative of the actual value of the Securities.

In order to purchase the Securities, you must make a commitment to purchase by completing the subscription process through the Intermediary's platform. Purchaser's funds will be held in escrow with the Escrow Agent until the Minimum Amount is reached. Purchasers may cancel an investment commitment until 48 hours prior to the Offering Deadline or the closing, whichever comes first using the cancellation mechanism provided by the Intermediary. The Company will notify Purchasers when the Minimum Amount has been reached. If the Company reaches the Minimum Amount prior to the Offering Deadline, it may close the Offering at least five (5) days after reaching the Minimum Amount and providing notice to Purchasers. If any material change (other than reaching the Minimum Amount) occurs related to the Offering prior to the Offering Deadline, the Company will provide notice to Purchasers and receive reconfirmations from Purchasers who have already made commitments. If a Purchaser does not reconfirm his or her investment commitment after a material change is made to the terms of the Offering, the Purchaser's investment commitment will be cancelled, and the committed funds will be returned without interest or deductions. If a Purchaser does not cancel an investment commitment before the Minimum Amount is reached, the funds will be released to the Company upon closing of the Offering and the Purchaser will receive the Securities in exchange for his or her investment. Any Purchaser funds received after the initial closing will be released to the Company upon a subsequent closing and the Purchaser will receive the Securities via Electronic Certificate/PDF in exchange for his or her investment as soon as practicable thereafter.

The subscription process through the Intermediary's platform is not binding on the Company until accepted by the Company, which reserves the right to reject, in whole or in part, in its sole and absolute discretion, any subscription. If the Company rejects all or a portion of any subscription, the applicable prospective Purchaser's funds will be returned without interest or deduction.

The price of the Securities has been determined and arbitrarily set at \$1.00. The minimum amount that an Investor may invest in the Offering is \$100.00.

***In the event two multiples of the Target Offering Amount is reached prior to July 31, 2019, the Company may conduct the first of multiple closings of the Offering early, provided all Purchasers will receive notice of the new offering deadline at least five (5) business days prior to such new offering deadline (absent a material change that would require an extension of the Offering and reconfirmation of the investment commitment). Purchasers who committed on or before such notice will have until the 48 hours prior to the new offering deadline to cancel their investment commitment.***

***In the event the Company does conduct one of multiple closings, the Company agrees to only withdraw half of the proceeds that are in escrow and will only conduct a closing if there will be more than 21 days remaining before July 31, 2019.***

***The Company may only conduct another closing before July 31, 2019 if at the time of such proposed closing (i) the amount of investment commitments to the Offering exceeds two multiples of the collective amount committed at the time of the last closing, and (ii) more than 21 days remain before July 31, 2019.***

***The Company has agreed to return all funds to Purchasers in the event a Form C-W is ultimately filed in relation to this Offering, regardless of any subsequent closings.***

The Offering is being made through the Intermediary. The following two fields below set forth the compensation being paid in connection with the Offering.

***Commission/Fees***

6.0% of the amount raised

### ***Stock, Warrants and Other Compensation***

2.0% of the Securities being issued in this Offering.

### ***Transfer Agent and Registrar***

The Company will act as transfer agent and registrar for the Securities for the purpose of this Offering.

### **The Securities**

We request that you please review our organizational documents and the Securities in conjunction with the following summary information.

### ***Authorized Capitalization***

The Company has the following classes of ownership:

Class A Units represent 89.20% Common Membership Percentage Equity and 98.80% Common Membership Percentage voting. 46,000,000 units have been authorized as of December 31, 2017 at a total price of \$150,000. As of December 31, 2017, \$62,779 of the \$150,000 has been contributed to the Company as a capital contribution.

Class B Units represent 10.80% Common Membership Percentage Equity and 1.20% Common Membership Percentage voting. 5,600,000 units have been authorized as of December 31, 2017 at a total price of \$350,000. As of December 31, 2017, \$291,000 of the \$350,000 has been contributed to the Company as a capital contribution. The Class B Units have a board seat controlled by the majority holder and the right to a return of capital on the same terms with the Class A-1 and Class A-2 Units before profits are shared.

### ***Not Currently Equity Interests***

The Securities are not currently equity interests in the Company and can be thought of as the right to receive equity at some point in the future upon the occurrence of certain events.

### ***Dividends***

The Securities do not entitle Purchasers to any dividends.

### ***Conversion***

Upon each future equity financing of greater than \$1,000,000.00 (an “***Equity Financing***”), the Securities are convertible at the option of the Company, into CF Shadow Securities, which are securities identical to those issued in such future Equity Financing except (1) they do not have the right to vote on any matters except as required by law, (2) they must vote in accordance with the majority of the investors in such future Equity Financing with respect to any such required vote and (3) they are not entitled to any inspection or information rights (other than those contemplated by Regulation CF). The Company has no obligation to convert the Securities in any future financing.

### ***Conversion Upon the First Equity Financing***

If the Company elects to convert the Securities upon the first Equity Financing following the issuance of the Securities, Purchasers will receive the number of CF Shadow Securities equal to the greater of the quotient obtained by dividing the amount Purchaser paid for the Securities (the “***Purchase Amount***”) by:

- (a) the quotient of \$6,000,000.00 divided by the aggregate number of issued and outstanding shares of capital stock, assuming full conversion or exercise of all convertible and exercisable securities then outstanding, including shares of convertible preferred stock and all outstanding vested or unvested options or warrants to purchase capital stock, but excluding (i) the issuance of all shares of capital stock reserved and available for future issuance under any of the Company’s existing equity incentive plans, (ii)

convertible promissory notes issued by the Company, (iii) any Simple Agreements for Future Equity, including the Securities (collectively, “**SAFEs**”), and (iv) any equity Securities that are issuable upon conversion of any outstanding convertible promissory notes or SAFEs,

OR

(b) the lowest price per share of the securities sold in such Equity Financing multiplied by 80.00%.

The price (either (a) or (b)) determined immediately above shall be deemed the “First Financing Price” and may be used to establish the conversion price of the Securities at a later date, even if the Company does not choose to convert the Securities upon the first Equity Financing following the issuance of the Securities.

#### ***Conversion After the First Equity Financing***

If the Company elects to convert the Securities upon an Equity Financing after the first Equity Financing following the issuance of the Securities, the Purchaser will receive the number of CF Shadow Securities equal to the quotient obtained by dividing (a) the Purchase Amount by (b) the First Financing Price. These securities will have no information rights, no tax reporting rights, no voting rights and any matter by which applicable law requires the holder of such securities to vote, the holders of the securities will enter into a proxy agreement with the Intermediary to vote in line with the series of securities the CF Shadow Securities are based off of.

#### ***Conversion Upon a Liquidity Event Prior to an Equity Financing***

In the case of an initial public offering of the Company (“**IPO**”) or Change of Control (see below) (either of these events, a “**Liquidity Event**”) of the Company prior to any Equity Financing, the Purchaser will receive, at the option of Purchaser, either (i) a cash payment equal to the Purchase Amount (subject to the following paragraph) or (ii) a number of shares of common stock of the Company equal to the Purchase Amount divided by the quotient of (a) \$6,000,000.00 divided by (b) the number, as of immediately prior to the Liquidity Event, of shares of the Company’s capital stock (on an as-converted basis) outstanding, assuming exercise or conversion of all outstanding vested and unvested options, warrants and other convertible securities, but excluding: (i) shares of common stock reserved and available for future grant under any equity incentive or similar plan; (ii) any SAFEs; and (iii) convertible promissory notes.

In connection with a cash payment described in the preceding paragraph, the Purchase Amount will be due and payable by the Company to the Purchaser immediately prior to, or concurrent with, the consummation of the Liquidity Event. If there are not enough funds to pay Purchasers and holders of other SAFEs (collectively, the “**Cash-Out Investors**”) in full, then all of the Company’s available funds will be distributed with equal priority and pro rata among the Cash-Out Investors in proportion to their Purchase Amounts.

“Change of Control” as used above and throughout this section, means (i) a transaction or transactions in which any person or group becomes the beneficial owner of more than 50% of the outstanding voting securities entitled to elect the Company’s board of directors, (ii) any reorganization, merger or consolidation of the Company, in which the outstanding voting security holders of the Company fail to retain at least a majority of such voting securities following such transaction(s) or (iii) a sale, lease or other disposition of all or substantially all of the assets of the Company.

#### ***Conversion Upon a Liquidity Event Following an Equity Financing***

In the case of a Liquidity Event following any Equity Financing, the Purchaser will receive, at the option of the Purchaser, either (i) a cash payment equal to the Purchase Amount (as described above) or (ii) a number of shares of the most recently issued preferred stock equal to the Purchase Amount divided by the First Financing Price. Shares of preferred stock granted in connection therewith shall have the same liquidation rights and preferences as the shares of preferred stock issued in connection with the Company’s most recent Equity Financing.

### ***Dissolution***

If there is a Dissolution Event (see below) before the Securities terminate, the Company will distribute, subject to the preferences applicable to any series of preferred stock then outstanding, all of its assets legally available for distribution with equal priority among Purchasers, all holders of other SAFEs (on an as converted basis based on a valuation of common stock as determined in good faith by the Company's board of directors at the time of the Dissolution Event) and all holders of common stock.

A "Dissolution Event" means (i) a voluntary termination of operations by the Company, (ii) a general assignment for the benefit of the Company's creditors or (iii) any other liquidation, dissolution or winding up of the Company (excluding a Liquidity Event), whether voluntary or involuntary.

### ***Termination***

The Securities terminate upon (without relieving the Company of any obligations arising from a prior breach of or non-compliance with the Securities) upon the earlier to occur: (i) the issuance of shares in the CF Shadow Securities to the Purchaser pursuant to the conversion provisions or (ii) the payment, or setting aside for payment, of amounts due to the Purchaser pursuant to a Liquidity Event or a Dissolution Event.

### **Voting and Control**

The Securities have no voting rights at present or when converted.

The Company does not have any voting agreements in place that would affect the Securities.

The Company does not have any equity holder agreements in place.

### **Anti-Dilution Rights**

The Securities may convert into a number of CF Shadow Securities based on a designated valuation cap, which is a type of anti-dilution right. However, future equity financings may still dilute the ownership percentage that the Purchaser may eventually have in the Company.

### **Restrictions on Transfer**

Any Securities sold pursuant to Regulation CF being offered may not be transferred by any Purchaser of such Securities during the one-year holding period beginning when the Securities were issued, unless such Securities are transferred: (1) to the Company, (2) to an accredited investor, as defined by Rule 501(d) of Regulation D promulgated under the Securities Act, (3) as part of an IPO, or (4) to a member of the family of the Purchaser or the equivalent, to a trust controlled by the Purchaser, to a trust created for the benefit of a member of the family of the Purchaser or the equivalent, or in connection with the death or divorce of the Purchaser or other similar circumstances. "***Member of the family***" as used herein means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse or spousal equivalent, sibling, mother /father /daughter /son/ sister/ brother-in-law, and includes adoptive relationships. Remember that although you may legally be able to transfer the Securities, you may not be able to find another party willing to purchase them.

In addition to the foregoing restrictions, prior to making any transfer of the Securities or any Securities into which they are convertible, such transferring Purchaser must either make such transfer pursuant to an effective registration statement filed with the SEC or provide the Company with an opinion of counsel stating that a registration statement is not necessary to effect such transfer.

In addition, the Purchaser may not transfer the Securities or any Securities into which they are convertible to any of the Company's competitors, as determined by the Company in good faith.

Furthermore, upon the event of an IPO, the capital stock into which the Securities are converted will be subject to a lock-up period and may not be sold for up to 180 days following such IPO.

## **Other Material Terms**

- The Company does not have the right to repurchase the Securities.
- The Securities do not have a stated return or liquidation preference.
- The Company cannot determine if it currently has enough capital stock authorized to issue upon the conversion of the Securities, because the amount of capital stock to be issued is based on the occurrence of future events.

## **TAX MATTERS**

**EACH PROSPECTIVE PURCHASER SHOULD CONSULT WITH HIS OR HER OWN TAX AND ERISA ADVISOR AS TO THE PARTICULAR CONSEQUENCES TO THE PURCHASER OF THE PURCHASE, OWNERSHIP AND SALE OF THE PURCHASER'S SECURITIES, AS WELL AS POSSIBLE CHANGES IN THE TAX LAWS.**

**TO INSURE COMPLIANCE WITH THE REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, WE INFORM YOU THAT ANY TAX STATEMENT IN THIS FORM C CONCERNING UNITED STATES FEDERAL TAXES IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY TAX-RELATED PENALTIES UNDER THE UNITED STATES INTERNAL REVENUE CODE. ANY TAX STATEMENT HEREIN CONCERNING UNITED STATES FEDERAL TAXES WAS WRITTEN IN CONNECTION WITH THE MARKETING OR PROMOTION OF THE TRANSACTIONS OR MATTERS TO WHICH THE STATEMENT RELATES. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

**Potential Purchasers who are not United States residents are urged to consult their tax advisors regarding the United States federal income tax implications of any investment in the Company, as well as the taxation of such investment by their country of residence. Furthermore, it should be anticipated that distributions from the Company to such foreign investors may be subject to United States withholding tax.**

**EACH POTENTIAL PURCHASER SHOULD CONSULT HIS OR HER OWN TAX ADVISOR CONCERNING THE POSSIBLE IMPACT OF STATE TAXES.**

## **Related Person Transactions**

From time to time the Company may engage in transactions with related persons. Related persons are defined as any director or officer of the Company; any person who is the beneficial owner of 10 percent or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter of the Company; any immediate family member of any of the foregoing persons or an entity controlled by any such person or persons.

10.8% of the Class B Common Units of the Company is owned by the CEO's brother-in-law, which represents a non-controlling amount of voting control, at the time of filing, constituting less than 2% of the Company's outstanding voting rights as they relate to membership units. The Company's CEO provides personal loans (without interest and without maturity date) to the Company to cover operational needs.

Isaac Nabors, the Company's Manager, Founder, and President, has been issued 23,000,000 Class A Common Units by the Company, of which Mr. Nabors has yet to pay for 18,170,000 of such Class A Common Units. The Company has not set a timetable for the payment of these Class A Common Units.

**Conflicts of Interest**

The Company has not engaged in any transactions or relationships that would give rise to a conflict of interest with the Company, its operations or its securityholders.

**OTHER INFORMATION****Bad Actor Disclosure**

None.

## SIGNATURE

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act and Regulation CF (§ 227.100 et seq.), the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form C and has duly caused this Form to be signed on its behalf by the duly authorized undersigned.

/s/ Derek Waleko  
(Signature)

Derek Waleko  
(Name)

Chief Executive Officer  
(Title)

4/29/19  
(Date)

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation CF (§ 227.100 et seq.), this Form C has been signed by the following persons in the capacities and on the dates indicated.

/s/ Derek Waleko  
(Signature)

Derek Waleko  
(Name)

Manager  
(Title)

4/29/19  
(Date)

/s/ Isaac Nabors  
(Signature)

Isaac Nabors  
(Name)

Manager  
(Title)

4/29/19  
(Date)

## **EXHIBITS**

|              |                                    |
|--------------|------------------------------------|
| Exhibit A-I  | Financial Statements (18' and 17') |
| Exhibit A-II | Financial Statements (17' and 16') |
| Exhibit B    | Video Transcript                   |
| Exhibit C    | Offering Page                      |
| Exhibit D    | Form of Crowd SAFE                 |

**EXHIBIT A-I**  
*Financial Statements*

# **Up Sonder LLC**

Unaudited Financial Statements for the Years Ended  
December 31, 2018 and 2017



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

April 25, 2019

To: Board of Managers, Up Sonder LLC  
Attn: Derek Waleko

Re: 2018-2017 Financial Statement Review  
Up Sonder LLC

We have reviewed the accompanying financial statements of Up Sonder LLC (the "Company"), which comprise the balance sheet(s) as of December 31, 2018 and 2017, and the related statements of income, members' equity and cash flows for the calendar years thus ending, and the related notes to the financial statements.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially limited in scope compared to an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## Going Concern

As discussed in the Notes and Additional Disclosures, certain conditions indicate the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments which might be necessary should the Company be unable to continue as a going concern. Our conclusion is not modified with respect to that matter.

Sincerely,



IndigoSpire CPA Group

IndigoSpire CPA Group, LLC  
Aurora, CO

**UP SONDER, LLC**  
**BALANCE SHEET**

**As of December 31, 2018 and 2017**

**See Accountant's Review Report and Notes to the Financial Statements**  
**(Unaudited)**

|   | <b>2018</b>      | <b>2017</b>      |
|---|------------------|------------------|
| <b>TOTAL ASSETS</b>                           |                  |                  |
| Current Assets:                               |                  |                  |
| Cash and cash equivalents                     | \$ 5,993         | \$ 10,139        |
| Other total current assets                    | 149              | 2,045            |
| Total Current Assets                          | <u>6,142</u>     | <u>12,184</u>    |
| <b>TOTAL ASSETS</b>                           | <u>\$ 6,142</u>  | <u>\$ 12,184</u> |
| <br>  |                  |                  |
| <b>LIABILITIES AND MEMBERS' CAPITAL</b>       |                  |                  |
| Liabilities:                                  |                  |                  |
| Current Liabilities:                          |                  |                  |
| Credit Card                                   | \$ 34,716        | \$ 35,402        |
| Loan  | 62,306           | 63,319           |
| Accounts Payable                              | 1,000            | 0                |
| Total Current Liabilities                     | <u>98,022</u>    | <u>98,721</u>    |
| <b>TOTAL LIABILITIES</b>                      | 98,022           | 98,721           |
| <br>  |                  |                  |
| Members' Capital                              |                  |                  |
| Member Capital (Class A common units)         | 71,000           | 71,000           |
| Member Capital (Class B common units)         | 350,000          | 291,000          |
| Accumulated deficit                           | <u>(512,880)</u> | <u>(448,537)</u> |
| <b>TOTAL MEMBERS' CAPITAL</b>                 | <u>(91,880)</u>  | <u>(86,537)</u>  |
| <br>  |                  |                  |
| <b>TOTAL LIABILITIES AND MEMBERS' CAPITAL</b> | <u>\$ 6,142</u>  | <u>\$ 12,184</u> |

The accompanying notes are an integral part of these unaudited financial statements.

**UP SONDER, LLC**  
**INCOME STATEMENT**

**For the Fiscal Years Ended December 31, 2018 and 2017**  
**See Accountant's Review Report and Notes to the Financial Statements**  
**(Unaudited)**

|                            | <b>2018</b>        | <b>2017</b>         |
|----------------------------|--------------------|---------------------|
| Revenues, net              | \$ 13,942          | \$ 19,842           |
| Refund                     | <u>1,649</u>       | <u>5,862</u>        |
| Gross Profit               | <u>15,591</u>      | <u>25,704</u>       |
| Operating Expenses:        |                    |                     |
| General and administrative | 49,073             | 126,936             |
| Sales and marketing        | 5,081              | 10,720              |
| Organizational expenses    | 9,830              | 24,965              |
| Technology expenses        | <u>15,950</u>      | <u>71,278</u>       |
| Total Operating Expenses   | <u>79,934</u>      | <u>233,899</u>      |
| Loss from operations       | (64,343)           | (208,195)           |
| Other Income (Expense):    |                    |                     |
| Other portfolio income     | 0                  | 500                 |
| Total Other Expense        | <u>0</u>           | <u>35</u>           |
| Net Other Income           | <u>0</u>           | <u>465</u>          |
| Net Loss                   | <u>\$ (64,343)</u> | <u>\$ (207,730)</u> |

The accompanying notes are an integral part of these unaudited financial statements.

**UP SONDER, LLC**  
**STATEMENT OF MEMBERS' CAPITAL**  
**For the Fiscal Years Ended December 31, 2018 and 2017**  
**See Accountant's Review Report and Notes to the Financial Statements**  
**(Unaudited)**

|  | <b>Class A<br/>Common<br/>Units</b> | <b>Class B<br/>Common<br/>Units</b> | <b>Accumulated<br/>Deficit</b> | <b>Total<br/>Members'<br/>Capital<br/>(Deficit)</b> |
|--|-------------------------------------|-------------------------------------|--------------------------------|---|
| <b>Balance<br/>as of<br/>January<br/>1, 2017</b>   | <b>\$ 59,279</b>                    | <b>\$ 141,000</b>                   | <b>\$ (240,807)</b>            | <b>\$ (40,528)</b>                                  |
| Unit<br>issuance                                   | 11,721                              | 150,000                             |                                | 161,721   |
| Net<br>Income<br>(Loss)                            |                                     |                                     | (207,730)                      | (207,730)   |
| <b>Balance<br/>as of<br/>December<br/>31, 2017</b> | <b>71,000</b>                       | <b>291,000</b>                      | <b>(448,537)</b>               | <b>(86,537)</b>                                     |
| Unit<br>issuance                                   | 0                                   | 59,000                              |                                | 59,000  |
| Net<br>income<br>(loss)                            |                                     |                                     | (64,343)                       | (64,343)  |
| <b>Balance<br/>as of<br/>December<br/>31, 2018</b> | <b>\$ 71,000</b>                    | <b>\$ 350,000</b>                   | <b>\$ (512,880)</b>            | <b>\$ (91,880)</b>                                  |

The accompanying notes are an integral part of these unaudited financial statements.

**UP SONDER, LLC**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Years Ended December 31, 2018 and 2017**  
**See Accountant's Review Report and Notes to the Financial Statements**  
**(Unaudited)**

|  | <b>2018</b>     | <b>2017</b>      |
|--|-----------------|------------------|
| <b>Cash Flows From Operating Activities</b>                                    |                 |                  |
| Net Loss   | \$ (64,343)     | \$ (207,730)     |
| Adjustments to reconcile net loss to net cash used<br>in operating activities: |                 |                  |
| Amortization of intangibles  | 0               | 0                |
| Net changes in operating assets and liabilities:                               | <u>(848)</u>    | <u>48,532</u>    |
| Net Cash Used In Operating Activities  | <u>(65,191)</u> | <u>(159,198)</u> |
| <br><b>Cash Flows From Investing Activities</b>                                |                 |                  |
|  | <u>0</u>        | <u>0</u>         |
| Net Cash Used In Investing Activities  | <u>0</u>        | <u>0</u>         |
| <br><b>Cash Flows From Financing Activities</b>                                |                 |                  |
| Proceeds from sale of membership units, net                                    | <u>59,000</u>   | <u>161,721</u>   |
| Net Cash Provided By Financing Activities                                      | <u>59,000</u>   | <u>161,721</u>   |
| <br>Net Change In Cash   | (6,191)         | 2,523            |
| <br>Cash at Beginning of Period  | 12,184          | 9,661            |
| Cash at End of Period  | <u>\$ 5,993</u> | <u>\$ 12,184</u> |
| <br><b>Supplemental Disclosure of Cash Flow Information</b>                    |                 |                  |
| Cash paid for interest   | \$ 0            | \$ 0             |
| Cash paid for income taxes   | 0               | 0                |

The accompanying notes are an integral part of these unaudited financial statements.

**UP SONDER, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Years Ended December 31, 2017 and 2016**  
**See Accountant's Review Report**  
**(unaudited)**

**NOTE 1 - NATURE OF OPERATIONS**

Up Sonder, LLC. ("Company") was incorporated on October 14, 2015 ("Inception") in the state of Delaware. The Company is headquartered in California, U.S. Up Sonder, LLC is a marketplace of FAA-certified drone pilots across the United States for the oil & gas, construction, real estate, and agriculture industries. Up Sonder is available in over 850 cities in the U.S. The Company can be hired by businesses needing to survey, scout, analyze, inspect, or simply have a drone's eye view of any project. Up Sonder's online messaging and drone data transfer services communicate data directly with Up Sonder drone pilots.

Since Inception, the Company has relied on securing loans and shareholder advances to fund its operations. As of December 31, 2018, the Company has not reached profitability and will likely incur additional losses prior to generating positive results. These matters raise substantial concern about the Company's ability to continue as a going concern. During the next 12 months, the Company intends to fund its operations with funding from a crowdfunding campaign (see Note 6) and funds from revenue-producing activities, if and when such can be realized. If the Company cannot secure additional short-term capital, it may cease operations. These financial statements and related notes thereto do not include any adjustments that might result from these uncertainties.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation*

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America ("GAAP"). The accompanying unaudited financial statements do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for the fair presentation of the unaudited financial statements for the years presented have been included.

*Use of Estimates*

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the footnotes thereto. Actual results could differ from those estimates.

*Risks and Uncertainties*

The Company has a limited operating history. The Company's business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include: recession, downturn or otherwise, changes in regulations or restrictions in imports, competition or changes in consumer taste. These adverse conditions could affect the Company's financial condition and the results of its operations. As of December 31, 2018, the Company is operating as a going concern. See Note 1 and Note 6 for additional information.

*Cash and Cash Equivalents*

The Company considers short-term, highly-liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. Cash consists of funds held in the Company's checking account. The Company maintains its cash with a major financial institution located in the U.S. which it believes to be credit worthy. The Federal Deposit Insurance Corporation insures balances up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits. As of December 31, 2018 and December 31, 2017, the Company had \$5,993 and \$10,139 of cash on hand.

### *Receivables and Credit Policy*

Trade receivables from customers are uncollateralized customer obligations due under normal trade terms, primarily requiring payment before services are rendered. Trade receivables are stated at the amount billed to the customer. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoice. The Company, by policy, routinely assesses the financial strength of its customers. As a result, the Company believes that its accounts receivable credit risk exposure is limited, and it has not experienced significant write-downs in its accounts receivable balances. As of December 31, 2018, the Company had \$0 accounts receivables.

### *Sales Taxes*

Various states impose a sales tax on the Company's sales to non-exempt customers. The Company collects the sales tax from customers and remits the entire amount to each respective state. The Company's accounting policy is to exclude the tax collected and remitted to the states from revenue and cost of sales.

### *Shipping and Handling Costs*

Shipping and handling costs are recorded as cost of revenue and amounts billed to customers for shipping and handling costs are recorded in revenue.

### *Property and Equipment*

Property and equipment are recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are expensed as incurred. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the balance sheet accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line method, based on useful lives of the assets which range from three to five years.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. As of December 31, 2018, the Company had acquired no property and equipment.

### *Fair Value Measurements*

The Company has determined the fair value of certain assets and liabilities in accordance with U.S. generally accepted accounting principles ("GAAP"), which provides a framework for measuring fair value.

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 on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

### *Income Taxes*

The Company is a limited liability company. Accordingly, under the Internal Revenue Code, all taxable income or loss flows through to its members. Therefore, no provision for income tax has been recorded in

the statements. Income from the Company is reported and taxed to members on their individual tax returns.

The Company complies with Financial Accounting Standards Board (“FASB”) ASC 740 for accounting for uncertainty in income taxes recognized in a company’s financial statements, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. FASB ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Based on the Company’s evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company’s financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

The Company may in the future become subject to federal, state and local income taxation though it has not been since its inception. The Company is not presently subject to any income tax audit in any taxing jurisdiction.

#### *Revenue Recognition*

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the fee for the arrangement is fixed or determinable and collectability is reasonably assured.

#### *Sales and Marketing Expenses*

The Company expenses advertising costs as they are incurred.

#### *Organizational Costs*

In accordance with FASB Accounting Standards Codification (ASC) 720, organizational costs, including accounting fees, legal fees, and costs of incorporation, are expensed as incurred.

#### *Recent Accounting Pronouncements*

In May 2014, FASB issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers.” ASU No. 2014-09 contains a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. Under this guidance, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. The updated standard permits the use of either the retrospective or cumulative effect transition method. Early adoption is permitted for reporting periods beginning after December 15, 2016. The updated standard for nonpublic entities will be effective after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The Company is currently evaluating the effect that the updated standard will have on its financial statements and related disclosures.

In February 2016, FASB issued ASU No. 2016-02, “Leases (Topic 842),” that requires organizations that lease assets, referred to as “lessees,” to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than 12 months. ASU 2016-02 also requires disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. The Company is currently evaluating the effect that the updated standard will have on its financial statements and related disclosures.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to the Company, or (iv) are not expected to have a material impact the Company’s financial statements.

### **NOTE 3 – MEMBERS’ CAPITAL**

The Company has the following classes of ownership:

Class A Units represent 89.20% Common Membership Percentage Equity and 98.8% Common Membership Percentage voting. 46,000,000 units have been authorized as of December 31, 2018 at a total price of \$150,000. As of December 31, 2018, \$71,000 of the \$150,000 have been contributed to the Company as a capital contribution.

Class B Units represent 10.80% Common Membership Percentage Equity and 1.20% Common Membership Percentage voting. 5,600,000 units have been authorized as of December 31, 2018 at a total price of \$350,000. As of December 31, 2018, \$350,000 of the \$350,000 have been contributed to the Company as a capital contribution. The Class B Units have a board seat controlled by the majority holder and the right to a return of capital on the same terms with the Class A-1 and Class A-2 Units before profits are shared.

### **NOTE 4 – COMMITMENTS AND CONTINGENCIES**

#### *Legal Matters*

The Company is not currently involved with, and does not know of any, pending or threatening litigation against the Company or its founder.

### **NOTE 5– GOING CONCERN**

These financial statements are prepared on a going-concern basis. The Company began operations in 2016 and has incurred a loss in each of the years ended December 31<sup>st</sup> since inception. The Company’s ability to continue is dependent upon management’s plan to raise additional funds (see Note 6) and achieve profitable operations. The financial statements do not include any adjustments that might be necessary if the Company is not able to continue as a going concern.

### **NOTE 6 – SUBSEQUENT EVENTS**

#### *Anticipated Crowdfunded Offering*

The Company is offering up to 1,070,000 Simple Agreements for Future Equity (“SAFE”) for up to \$1,070,000 (the “Crowdfunded Offering”). The Company is attempting to raise up to \$1,070,000 maximum. The Crowdfunded Offering is being made through OpenDeal Portal LLC. The Intermediary will be entitled to receive a 6 percent commission fee and a SAFE equivalent to 2 percent of the securities issued in this offering.

#### *Leases*

The company does not currently lease any facilities or equipment but plans to in the future.

#### *Management’s Evaluation*

Management has evaluated subsequent events through April 25, 2019, the date the financial statements were available to be issued. Based on this evaluation, no additional material events were identified which require adjustment or disclosure in the financial statements.

**EXHIBIT A-II**  
*Financial Statements*

**UP SONDER LLC**

Unaudited Financial Statements for the Years Ended  
December 31, 2017 and 2016



IndigoSpire

CPA & ADVISORS

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

January 11, 2019

To: Board of Directors, IndigoSpire LLC  
4800 Santa Monica

Re: 2017-2018 financial statements issued  
12/31/2018

We have reviewed the accompanying financial statements of IndigoSpire LLC (the "Company"), which comprise the balance sheet(s) as of December 31, 2017 and 2018, and the related statements of income, members' equity and cash flow for the calendar years then ending, and the related notes to the financial statements.

In course includes primarily applying analytical procedures to management's financial data and making inquiries of company management. If review is substantially limited in scope compared to an audit, the objective of review is the expression of a conclusion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. These standards require us to perform procedures to obtain limited assurance as a basis for expressing whether an opinion or an assertion of any material modifications that should be made to the financial statements for their to be in accordance with accounting principles generally accepted in the United States of America. The below-quoted results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### Going Concern

In connection with the above said accounting procedures, certain conditions indicate the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments which might be necessary should the Company be unable to continue as a going concern. Our conclusion is not qualified with respect to that matter.

Very truly,  
Yours,



**Luigi's CPA Group**

Luigi's CPA Group, LLC  
Boston, MA

**UP SONDER, LLC**

**BALANCE SHEET**

**As of December 31, 2017 and 2016**

**See accompanying Accountant's Review Report and Notes to the Financial Statements  
(Unaudited)**

|   | <u>2017</u>      | <u>2016</u>      |
|---|------------------|------------------|
| <b>TOTAL ASSETS</b>                           |                  |                  |
| Current Assets:                               |                  |                  |
| Cash and cash equivalents                     | \$ 10,139        | \$ 9,661         |
| Other total current assets                    | <u>2,045</u>     | <u>0</u>         |
| Total Current Assets                          | <u>12,184</u>    | <u>9,661</u>     |
| <b>TOTAL ASSETS</b>                           | <u>\$ 12,184</u> | <u>\$ 9,661</u>  |
| <br><b>LIABILITIES AND MEMBERS' CAPITAL</b>   |                  |                  |
| Liabilities:                                  |                  |                  |
| Current Liabilities:                          |                  |                  |
| Credit Card                                   | \$ 35,402        | \$ 35,188        |
| Loan  | <u>63,319</u>    | <u>15,000</u>    |
| Total Current Liabilities                     | <u>98,721</u>    | <u>50,189</u>    |
| <b>TOTAL LIABILITIES</b>                      | 98,721           | 50,189           |
| Members' Capital                              |                  |                  |
| Member Capital (Class A common units)         | 62,779           | 59,279           |
| Member Capital (Class B common units)         | 291,000          | 141,000          |
| Accumulated deficit                           | <u>(440,316)</u> | <u>(240,807)</u> |
| <b>TOTAL MEMBERS' CAPITAL</b>                 | <u>(86,537)</u>  | <u>(40,528)</u>  |
| <b>TOTAL LIABILITIES AND MEMBERS' CAPITAL</b> | <u>\$ 12,184</u> | <u>\$ 9,661</u>  |

**UP SONDER, LLC**  
**INCOME STATEMENT**

**For the Fiscal Years Ended December 31, 2017 and 2016**

**See accompanying Accountant's Review Report and Notes to the Financial Statements**  
**(Unaudited)**

|                            | <u>2017</u>                | <u>2016</u>                |
|----------------------------|----------------------------|----------------------------|
| Revenues, net              | <u>\$ 25,704</u>           | <u>\$ 199</u>              |
| Operating Expenses:        |                            |                            |
| General and administrative | 118,715                    | 54,813                     |
| Sales and marketing        | 10,720                     | 18,602                     |
| Organizational expenses    | 24,996                     | 45,464                     |
| Technology expenses        | <u>71,278</u>              | <u>121,625</u>             |
| Total Operating Expenses   | <u>225,678</u>             | <u>240,505</u>             |
| Loss from operations       | (199,974)                  | (240,307)                  |
| Other Income (Expense):    |                            |                            |
| Other portfolio income     | <u>500</u>                 | <u>0</u>                   |
| Total Other Expense        | <u>35</u>                  | <u>500</u>                 |
| Net Loss                   | <u><u>\$ (199,509)</u></u> | <u><u>\$ (240,807)</u></u> |

UP SONDER, LLC  
STATEMENT OF MEMBERS' CAPITAL  
For the Fiscal Years Ended December 31, 2017 and 2016  
See accompanying Accountant's Review Report and Notes to the Financial Statements  
(Unaudited)

|  | <u>Class A<br/>common<br/>units</u> | <u>Class B<br/>common<br/>units</u> | <u>Additional<br/>Paid-in-<br/>Capital<br/>Class A</u> | <u>Additional<br/>Paid-in-<br/>Capital<br/>Class B</u> | <u>Accumulated<br/>Deficit</u> | <u>Total<br/>Stockholders'<br/>Equity<br/>(Deficit)</u> |
|--|-------------------------------------|-------------------------------------|--|--|--------------------------------|---|
| <b>Balance<br/>as of<br/>January<br/>1, 2016</b>   |                                     |                                     | \$ 0   | \$ 0   | \$ 0                           | \$ 0  |
| Net<br>Income<br>(Loss)                            |                                     |                                     | 59,279   | 141,000  | (240,807)                      | (40,528)  |
| <b>Balance<br/>as of<br/>December<br/>31, 2016</b> |                                     |                                     | <b>59,279</b>  | <b>141,000</b>   | <b>(240,807)</b>               | <b>(40,528)</b>   |
| Net<br>income<br>(loss)                            |                                     |                                     | 3,500  | 150,000  | (199,509)                      | (46,009)  |
| <b>Balance<br/>as of<br/>December<br/>31, 2017</b> |                                     |                                     | <b>\$ 62,779</b>                                       | <b>\$ 291,000</b>                                      | <b>\$ (440,316)</b>            | <b>\$ (86,537)</b>                                      |

**UP SONDER, LLC**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Years Ended December 31, 2017 and 2016**  
**See accompanying Accountant's Review Report and Notes to the Financial Statements**  
**(Unaudited)**

|  | 2017             | 2016              |
|--|------------------|-------------------|
| <b>Cash Flows From Operating Activities</b>                                    |                  |                   |
| Net Loss   | \$ (199,509)     | \$ (240,807)      |
| Adjustments to reconcile net loss to net cash used<br>in operating activities: |                  |                   |
| Amortization of intangibles  | 0                | 0                 |
| Changes in operating assets and liabilities:                                   | 50,532           | 50,189            |
| (Increase) Decrease in accounts receivable                                     | 0                | 0                 |
| (Increase) Decrease in deposits  | 0                | 0                 |
| Increase (Decrease) in accounts payable and<br>accrued expenses                | 0                | 0                 |
|  | <u>0</u>         | <u>0</u>          |
| Net Cash Used In Operating Activities  | <u>(148,977)</u> | <u>(190,617)</u>  |
| <b>Cash Flows From Investing Activities</b>                                    |                  |                   |
|  | <u>0</u>         | <u>0</u>          |
| Net Cash Used In Investing Activities  | <u>0</u>         | <u>0</u>          |
| <b>Cash Flows From Financing Activities</b>                                    |                  |                   |
| Proceeds from sale of membership units, net                                    | <u>153,500</u>   | <u>200,279</u>    |
| Net Cash Provided By Financing Activities                                      | <u>153,500</u>   | <u>          </u> |
| Net Change In Cash   | 2,523            | 9,661             |
| Cash at Beginning of Period  | <u>9,661</u>     | <u>0</u>          |
| Cash at End of Period  | <u>\$ 12,184</u> | <u>\$ 9,661</u>   |
| <b>Supplemental Disclosure of Cash Flow Information</b>                        |                  |                   |
| Cash paid for interest   | \$ 0             | \$ 0              |
| Cash paid for income taxes   | 0                | 0                 |

**UP SONDER, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Years Ended December 31, 2017 and 2016**  
**See accompanying Accountant's Review Report**  
**(unaudited)**

**NOTE 1 - NATURE OF OPERATIONS**

UP SONDER, LLC. (the "Company") was incorporated on October 14, 2015 ("Inception") in the state of Delaware. The Company is a marketplace of FAA-certified drone pilots across the United States for the oil & gas, construction, real estate, and agriculture industries. The Company is available in over 750 cities in the U.S. The Company can be hired by businesses needing to survey, scout, analyze, inspect, or simply have a drone's eye view of any project. The Company's online messaging and drone data transfer services communicate data directly with the Company's drone pilots.

Since Inception, the Company has relied on securing loans and shareholder advances to fund its operations. As of December 31, 2017, the Company has not reached profitability and will likely incur additional losses prior to generating positive results. These matters raise substantial concern about the Company's ability to continue as a going concern. During the next 12 months, the Company intends to fund its operations with funding from a crowdfunding campaign (see Note 9) and funds from revenue producing activities, if and when such can be realized. If the Company cannot secure additional short-term capital, it may cease operations. These financial statements and related notes thereto do not include any adjustments that might result from these uncertainties.

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credit risk exposure is limited and it has not experienced significant write-downs in its accounts receivable balances. As of December 31, 2016, the Company had \$0 accounts receivables.

#### *Sales Taxes*

Various states impose a sales tax on the Company's sales to non-exempt customers. The Company collects the sales tax from customers and remits the entire amount to each respective state. The Company's accounting policy is to exclude the tax collected and remitted to the states from revenue and cost of sales.

#### *Shipping and Handling Costs*

Shipping and handling costs are recorded as cost of revenue and amounts billed to customers for shipping and handling costs are recorded in revenue.

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Property and equipment are recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are expensed as incurred. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the balance sheet accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line method, based on useful lives of the assets which range from three to five years.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. As of December 31, 2016, the Company had acquired no property and equipment.

#### *Fair Value Measurements*

The Company has determined the fair value of certain assets and liabilities in accordance with United States generally accepted accounting principles ("GAAP"), which provides a framework for measuring fair value.

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 on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

#### *Income Taxes*

The Company is a limited liability company. Accordingly, under the Internal Revenue Code, all taxable income or loss flows through to its members. Therefore, no provision for income tax has been recorded in the statements. Income from the Company is reported and taxed to members on their individual tax returns.

The Company complies with FASB ASC 740 for accounting for uncertainty in income taxes recognized in a company's financial statements, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. FASB ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Based on the Company's evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. The Company believes that its income tax positions would be sustained on audit and does not

anticipate any adjustments that would result in a material change to its financial position.

The Company may in the future become subject to federal, state and local income taxation though it has not been since its inception. The Company is not presently subject to any income tax audit in any taxing jurisdiction.

#### *Revenue Recognition*

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the fee for the arrangement is fixed or determinable and collectability is reasonably assured.

#### *Sales and Marketing Expenses*

The Company expenses advertising costs as they are incurred.

#### *Organizational Costs*

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (ASC) 720, organizational costs, including accounting fees, legal fees, and costs of incorporation, are expensed as incurred.

#### *Recent Accounting Pronouncements*

In May 2014, FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers." ASU No. 2014-09 contains a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. Under this guidance, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. The updated standard permits the use of either the retrospective or cumulative effect transition method. Early adoption is permitted for reporting periods beginning after December 15, 2016. The updated standard for nonpublic entities will be effective after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The Company is currently evaluating the effect that the updated standard will have on its financial statements and related disclosures.

In February 2016, FASB issued ASU No. 2016-02, “Leases (Topic 842),” that requires organizations that lease assets, referred to as "lessees," to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than 12 months. ASU 2016-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. The Company is currently evaluating the effect that the updated standard will have on its financial statements and related disclosures.

In August 2016, FASB issued ASU No. 2016-15, “Statement of Cash Flows (Topic 230).” ASU 2016-15 provides classification guidance for certain cash receipts and cash payments including payment of debt extinguishment costs, settlement of zero-coupon debt instruments, insurance claim payments and distributions from equity method investees. The standard is effective on January 1, 2018, with early adoption permitted. The Company is currently in the process of evaluating the impact the adoption will have on its financial statements and related disclosures.

In May 2017, FASB issued ASU 2017-09, “Compensation- Stock Compensation (Topic 718): Scope of Modification Accounting”, clarifies such that an entity must apply modification accounting to changes in the terms or conditions of a share-based payment award unless all of the following criteria are met: (1) the fair value of the modified award is the same as the fair value of the original award immediately before the modification. The ASU indicates that if the modification does not affect any of the inputs to the valuation technique used to value the award, the entity is not required to estimate the value immediately before and after the modification; (2) the vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the modification; and (3) the classification of the modified award as an equity instrument or a liability instrument is the same as the classification of the original award immediately before the modification. The ASU is effective for all entities for fiscal years beginning after December 15, 2017, including interim periods within those years. Early adoption is permitted, including adoption in an interim period. The Company is

currently evaluating the impact that this standard will have on our consolidated financial statements

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to the Company, or (iv) are not expected to have a material impact the Company's financial statements, respectively.

## **NOTE 5 – MEMBER'S CAPITAL**

Thee Company has the following classes of ownership:

Class A Units represent 89.20% Common Membership Percentage Equity and 98.8% Common Membership Percentage voting. 46,000,000 units have been authorized as of December 31, 2017 at a total price of \$150,000. As of December 31, 2017 \$62,779 of the \$150,000 have been contributed to The Company as a capital contribution.

Class B Units represent 10.80% Common Membership Percentage Equity and 1.20% Common Membership Percentage voting. 5,600,000 units have been authorized as of December 31, 2017 at a total price of \$350,000. As of December 31, 2017 \$291,000 of the \$350,000 have been contributed to The Company as a capital contribution. The Class B Units have a board seat controlled by the majority holder and the right to a return of capital on the same terms with the Class A-1 and Class A-2 Units before profits are shared.

## **NOTE 7 – COMMITMENTS AND CONTINGENCIES**

### *Legal Matters*

The Company is not currently involved with, and does not know of any, pending or threatening litigation against the Company or its founder.

## **NOTE 8– GOING CONCERN**

These financial statements are prepared on a going concern basis. The Company began operations in 2016 and has incurred a loss in each of the years ended December 31<sup>st</sup> since inception. The Company's ability to continue is dependent upon management's plan to raise additional funds (see Note 9) and achieve profitable operations. The financial statements do not include any adjustments that might be necessary if the Company is not able to continue as a going concern.

## **NOTE 9 – SUBSEQUENT EVENTS**

### *Anticipated Crowdfunded Offering*

The Company is offering up to 1,070,000 Simple Agreements for Future Equity ("SAFEs") for up to \$1,070,000 (the "Crowdfunded Offering"). The Company is attempting to raise a minimum of \$25,000 in this offering and up to \$1,070,000 maximum. The Crowdfunded Offering is being made through OpenDeal Portal LLC, (the "Intermediary" aka "Republic" or "Republic.co").

### *Member's Capital*

In 2018 in exchange for Class B Units the remaining \$60,000 was contributed to the company in the form of a capital contribution.

### *Management's Evaluation*

Management has evaluated subsequent events through January 11, 2018, the date the financial statements were available to be issued. Based on this evaluation, no additional material events were identified which require adjustment or disclosure in the financial statements.

**EXHIBIT B**  
*Video Transcript*

Up Sonder Video 1

Derek Waleko: [00:05](#) The Up Sonder marketplace allows businesses to hire licensed drone pilots in their direct area so they can get the aerial footage and data they need to be able to keep their project under budget, on time, all while keeping everyone safe.

Derek Waleko: [00:19](#) Drone technology changes everything and will impact every human on the planet. Our mission at Up Sonder is to deploy a drone anywhere, anytime for any reason so that consumers can have smart access to drone services. Today, it's businesses using drones but tomorrow, it's all online shopping, it's anyone who uses medications and it's every smart home that has a rooftop drone. A future where society relies on drones is coming and we're building a marketplace that is flexible for the pilots of today and the autonomous drones of tomorrow.

Derek Waleko: [00:54](#) We are doing great things with a large vision for the world. It's all exciting and we're just getting started.

Up Sonder Video 4

Derek Waleko: [00:00](#) My name is Derek Waleko, CEO and co-founder of Up Sonder. I decided to start Up Sonder after a visit with my mom in Texas. She has a chronic illness and lives in a very remote part of Texas and she wasn't able to get her medication one night from the pharmacy because of the distance from where we live. I knew at that point that a drone could have made that delivery.

Derek Waleko: [00:21](#) It's really tough to see someone that you love suffer like that. We've been building Up Sonder with the goal in mind to be able to deploy a drone anywhere, anytime for any reason.

**EXHIBIT C**  
*Offering Page*



**Company Name** Up Sonder

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**Logo**



**Headline** Drone services for manned and autonomous missions

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**Cover photo**



**Hero  
Image****Tags** Tech, Video, Drones, Sharing economy**Pitch  
text****Deal highlights**

- Airbnb of the drone industry: companies and individuals enlist drone services from a community of qualified pilots
- Drone services are estimated to be worth over \$13 billion by 2020
- Experiencing organic growth with commercial drone pilots in over 750 cities
- Over 2,000 community members in the United States
- Building one network for autonomous drones and creating global charging network to extend flight times
- Designing low cost precision landing software for autonomous drones that uses proprietary RTK GPS

**Problem**

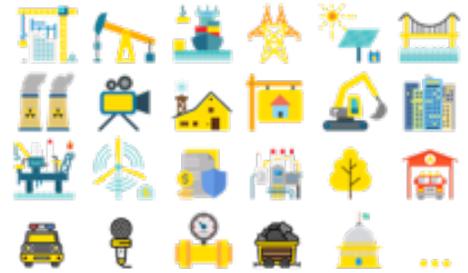
Growing demand for drone services, but businesses don't know how to access it

Demand for drone services is skyrocketing, but the ability to fill this demand is lacking and segmented



Billions of dollars are ahead for Up Sonder's industry by 2020 according to Goldman Sachs and PwC as businesses will spend billions each year on aerial data for inspecting, monitoring, protecting, reviewing assets and other needs.

To lower costs, businesses are turning to new drone technology to do this better, safer and more quickly. But flying commercial drones is complicated - airspace authorization, certifications, regulations, insurance, flight planning, maintenance, safety protocols, data processing, and more are leaving companies confused and lost.



Businesses need a partner that makes accessing drone services simple, and transparent, while at the same time providing the flexibility to adapt to future changes in the drone industry like autonomous flight.

## **Solution**

Up Sonder is the one stop solution for drone services for manned and autonomous missions



Up Sonder is connecting the world to drones with our adaptable marketplace for businesses to book drone services. Today with marketplace 1.0 and in the future with marketplace 2.0.

### Marketplace 1.0

Piloted drone services streamlined to fly missions quicker, better, and safer

-  **API software for enterprise clients**
-  **Simple search & book**
-  **Access to qualified drone pilots**
-  **All missions carry insurance**
-  **All drone pilots commercially licensed**
-  **All drones legally registered**

### Booking drone services with Up Sonder

#### Drone Services

Up Sonder is laser-focused on meeting the skyrocketing demand for drone services. Our marketplace gives businesses easy access to qualified, licensed and insured drone pilots. Up Sonder's experienced pilots are taking to the air to film real estate,

inspect cell phone towers and recon oil & gas facilities.

Drone services are as varied as the industries that use them, but can be as simplified as aerial data collection. The most common form of data collected is videos and photographs, but there has been an increasing need for sensors like thermal cameras and Lidar.

Companies are turning to drones for the simple fact that they make aerial data collection cheaper and quicker.

1. **Cheaper:** Before, if oil & gas companies wanted aerial photos of pipelines, they had to hire a helicopter for a few thousand dollars. Now they can hire a drone for a few hundred.
2. **Quicker:** A recent case study by Brasfield & Gorrie, one of the largest privately-held construction firms in the United States, compared traditional land surveying versus drone surveying on a 60-acre construction site. They found that land surveying took 2-3 weeks while drone surveying took only 1-4 days!

## Marketplace 2.0

Adaptable marketplace to meet demand for an autonomous world



*"Businesses want drones today, but a future where society relies on drones is coming... it's coming fast."*

- Derek Waleko, CEO, Up Sonder

- Simple one-click access to autonomous drone services, everything from deliveries to inspections.



- Network of charging stations to power autonomous drone operations with the initial starting locations built directly onto our members' rooftops. Our vision is to ensure all smart homes of the future are part of the Up Sonder autonomous network.



- Autonomous drone management software that manages all aspects of autonomous operations with A.I. and blockchain built-in for payments, tracking, landing, wireless-charging, taking off, and flight routes.



- Currently testing proprietary precision landing/positioning technology with low-cost RTK GPS that makes it possible for a fleet of autonomous drones to use the charging network to increase flight times and service more customers.

## Press



## Traction

Organic Growth



Today





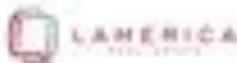
**2,000+ Members**

**Drone Pilots in  
750+ Cities**



**Customers**

Organic growth | 50+ missions



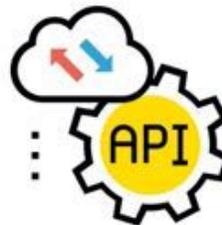


Have a look at some past missions

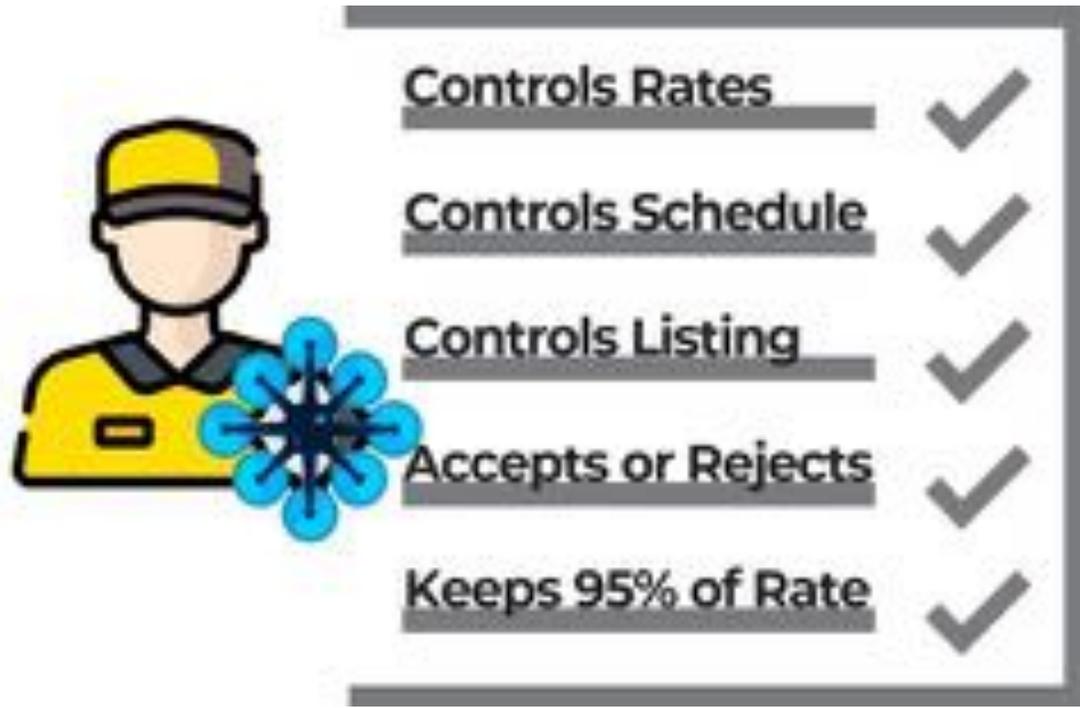
## Business Model

### Marketplace 1.0

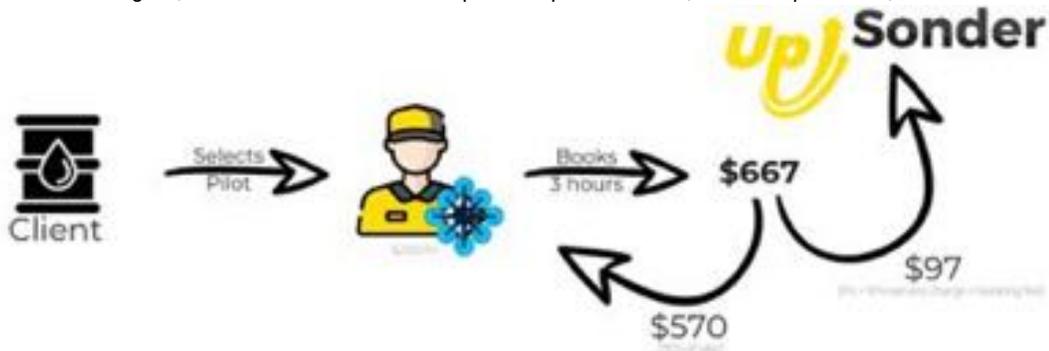
Is built for businesses to search and book drone services in their direct area from one simple website, [upsonder.com](http://upsonder.com), with upfront transparent pricing. For multiple missions and large needs, Up Sonder has the added benefit for larger enterprise clients to integrate Up Sonder's API software to bulk order drone missions nationwide.



Commercial drone pilots are the backbone of Up Sonder and we treat them right. Pilots flying for Up Sonder choose their own rate, work hours, accept or reject bookings and have complete control over their listing page that details their work history, expertise, drone features, and past work examples. The best part is Up Sonder drone pilots get to keep 95% of their rate with direct payouts to their bank or via Paypal.



Up Sonder makes 15% from each drone booking by charging a 10% service fee to the client and a 5% service fee to the pilot plus a flat \$7 booking fee. For example, if a pilot sets her or his rate at \$200 per hour and a client books this pilot for 3 hour, the client will be charged \$667. After the mission is complete the pilot receives \$570 and Up Sonder \$97.



### Marketplace 2.0

Today businesses want to use drones but tomorrow society will rely on drones but there are not enough human pilots to fulfill this demand. Up Sonder will automate its marketplace with an autonomous drone network to help its human pilots.

# One Network



An autonomous drone network that is self-sustaining is the only way to keep pace with the everyday tasks of the future such as mail delivery, grocery pick up, medical emergencies, home security, roof inspections, construction monitoring, and even coffee delivered directly to your vehicle during commutes.

The future of drones will grow past today's commercial use cases and into everyday living - children to business executives to the elderly will be impacted (for the better) by this amazing technology. Up Sonder is building this future with one simple network to handle it all.

Up Sonder is where the world orders drone services both large and small and where third party drone service providers can harness the power of Up Sonder's "if" (infinity flight) charging network to let their autonomous drones do more and fly further reaching more customers.

## Market

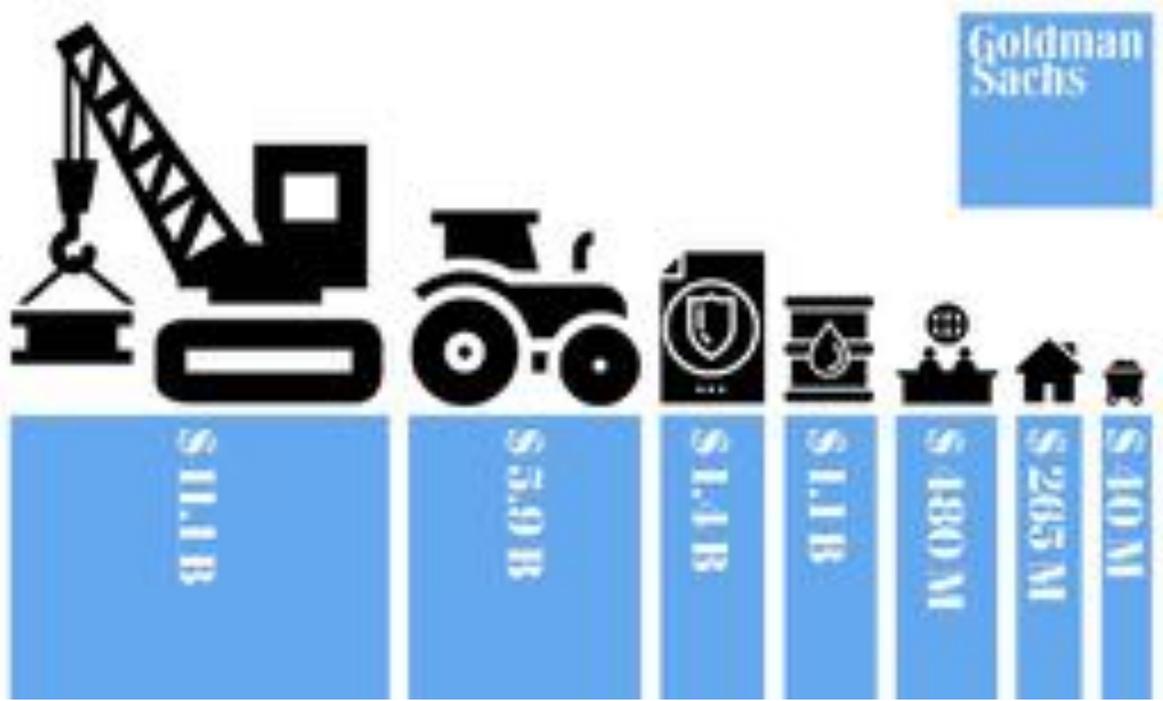
### A market full of opportunity

Drones are powerful tools that will change the way we work and live. When you combine their consumer, commercial and governmental use, analysts agree, drones are an opportunity too large to ignore.

Goldman Sachs says that drones are a \$100 billion market opportunity by 2020 and estimate that over \$13 billion will be spent on commercial and civil use of drones.

Major industries are already using drones and those that offer the most growth opportunity in the near future include construction, oil & gas, agriculture, inspection/insurance, 3D mapping, real estate, journalism and mining among others.





The application of drones for commercial and civil industries is going to revolutionize the way everyone from farmers to firefighters gather data and make informed decisions. In a groundbreaking 2016 report, PricewaterhouseCoopers (PwC) valued the emerging global market for business services using drones at over \$127 billion. There's a gold field of opportunities for UpSonder.



A recent report by Skyward, a Verizon company, found that 92% of companies that implement a drone program have a return on investment within a year. No wonder many are predicting that the market for drone services is about to explode. In fact, Skyward is expecting the commercial adoption of drones to double in the coming years!



### Drone market trends

#### Autonomous drone operation



Drones will increasingly operate themselves. New technology will allow drones to sense and avoid each other and communicate in real time with both the companies that deploy them as well as air traffic control.



#### Search for energy solutions

Currently battery life is limiting the distance a drone can fly. Everyone from Amazon to Up Sonder is looking for solutions to give drones more power! Ideas include charging networks, more efficient batteries and renewable power sources.



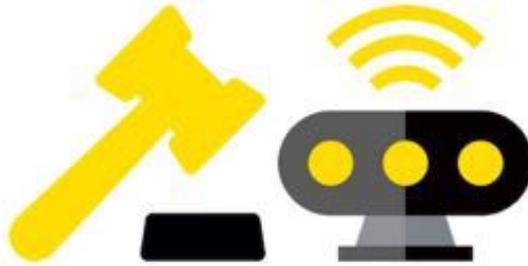
#### 5G networks

5G networks will connect to drones, helping to integrate them into air traffic control systems and allowing them to beam data more efficiently.

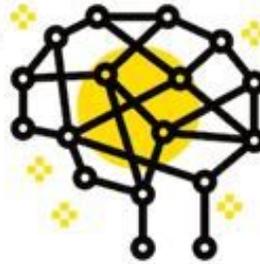
#### Regulation will open up

As new technology makes drones safer, authorities around the world will soften their regulations on drones allowing widespread operations that are currently restricted such as flying at night and Beyond Visual Line of Sight (BVLOS).

#### Smaller sensors + better drones = new opportunities



As sensors (like thermal and Lidar) become cheaper, smaller and lighter drones will be able to carry a more robust set of tools which will further increase their use by commercial and civil entities.



**Artificial Intelligence (AI)**

Like many other industries, AI will transform the way drones are used and understood. AI will let drones collect data more efficiently and will allow drones to safely interact with the world around them.

**Up Sonder is evolving for a drone future.**

Up Sonder is making sure we evolve with these changes that have already started to affect the drone services industry.

Our team is hard at work to ensure each autonomous drone in the future lands and flies with centimeter precision for every mission. We are developing a proprietary low cost RTK GPS that will allow our network of charge points and fleet of drones to be highly scalable and efficient.



**Competition**

| Name  | Drone Service Main Business | Transparent Pricing | Direct Pilot Access | Developing Charging Network |
|---|-----------------------------|---------------------|---------------------|-----------------------------|
|  <b>Sonder</b> | ✓                           | ✓                   | ✓                   | ✓                           |
| PrecisionHawk   | ✗                           | ✓                   | ✓                   | ✗                           |
| DroneBase   | ✓                           | ✗                   | ✗                   | ✗                           |



**Investors**



## Founders invested their own money to build Up Sonder

Up Sonder founders are in it to win it and want to dominate the drone industry. Up Sonder's CEO mortgaged his home for \$100,000 for startup capital to get Up Sonder ready for the drone revolution. Up Sonder's President invested his life savings and together with the Up Sonder team is preparing for the next stage of growth. In addition, Up Sonder has successfully raised \$350,000.



## What's Next

We've already accomplished a ton, and we're excited about what's next.



**United States market is ready for growth**

Our drone service marketplace is ready to serve US businesses in their needs for lower costs, shorter project timelines, and increased safety standards. Up Sonder spent 2017 & 2018 building its network of certified commercial drone pilots who are ready to service the needs of businesses in 2019.

**International expansion**

The popularity of drones is spreading across the world at speeds faster than businesses can keep up with. Organization is needed and the Up Sonder standard of simple, easy, and transparent access to drone services is needed in other parts of the world. Canada and Europe are the next logical destinations.

**Marketplace 2.0 - Autonomous Drone Network**

Up Sonder is embracing autonomous drones by taking concrete steps for them to work side-by-side with Up Sonder drone pilots to cover increased use cases in the future. Up Sonder is preparing by building proprietary advanced technology for ultra-high precision autonomous drone flight and landing, creating drone fleet management software, and designing a network of rapid wireless charging locations to extend the range of autonomous drones.

If we reach our stretch goal of \$1 million with this campaign, we will hire extra full-time salespeople and accelerate our growth in 2019.





## Derek Waleko

### Co-founder & CEO

Derek is from Texas and a commercial drone pilot having flown all over the world. Derek leads day-to-day operations at UpSonder and is building the company with his business partner. Derek came up with the idea for UpSonder while at home on his family's ranch when medication for his mother was out of reach. Knowing a future where people relied on drones was coming, he set out to build a company that would manage it all. He sees drones having a bigger impact on humanity than the internet and iPhone. Before UpSonder, Derek worked for the South Korean government in charge of mergers and acquisitions and graduated from Texas Tech University studying Biology and Chemistry. Derek married his college sweetheart and has two children.

## Dr. Isaac Nabors

### Co-founder & President

Isaac is from Texas and does day-to-day operations and manages existing client relations. Isaac is a drone hobbyist and takes to the sky when he's not working on UpSonder. By trade, Isaac is a physical therapist but at heart is a successful entrepreneur and has started businesses in the drone, healthcare, and automotive industries. He studied Kinesiology and Physical Therapy at Texas Tech University for his B.S. and M.S., and received his Doctor of Science from Andrews University in Biomechanics. Isaac met Derek freshman year in the dorms and since has been great friends. Isaac married his college sweetheart and has two children.



## Dr. Sung Moon Kang

CTO

Sung graduated from Yale, Stanford, and UCLA and is an expert in aerospace guidance, navigation, and controls. He has done past work with:



## Nhattrieu Chan Duong

Aerospace guidance, navigation, and controls engineer

Nhattrieu graduated from Caltech and is finishing his Ph.D. at UCLA University. He currently writes software for use in Up Sonder's Marketplace 2.0 and has also done past work with:



## Joe Christian

Content & Research

Joe is a commercial drone pilot and leads Up Sonder's content and research efforts staying compliant with drone regulations with experience working for publications in Asia like China Daily and has published a book on mergers and acquisitions in China with leading international and Chinese lawyers.



## Kenneth Lowe, VIZIO Advisor

Ken is the co-founder and Vice President of Vizio Inc., the leading Consumer Electronics company in Flat Panel HDTVs. Ken grew Vizio with his two other partners from a small startup into the billion dollar company that it is today. Ken's business acumen is invaluable to Up Sonder.



**Click below to invest in Up Sonder**



Join the company changing how the world uses drones!

"I wanted to personally thank you for taking a closer look at Up Sonder and I invite you to invest in the company that is shaping the drone industry. As an investor, you will have my ear, my door will always be open to you, and you will be a part of an exciting chapter in our history as drones integrate into every facet of our lives. My team and I are building a great company and I look forward to you joining us. Thank you."

- Derek

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**Team**



Derek Waleko

CEO



Isaac Nabors

President



Sung Moon Kang

CTO



Nhattrieu Chan Duong

Engineer



Joe Christian

Analyst



Kenneth Lowe

Advisor

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**Perks**

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**FAQ**

**EXHIBIT D**  
*Form of Crowd SAFE*

THIS INSTRUMENT HAS BEEN ISSUED PURSUANT TO SECTION 4(A)(6) OF THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND NEITHER IT NOR ANY SECURITIES ISSUABLE PURSUANT HERETO HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED BY RULE 501 OF REGULATION CROWDFUNDING UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR EXEMPTION THEREFROM.

IF THE INVESTOR LIVES OUTSIDE THE UNITED STATES, IT IS THE INVESTOR’S RESPONSIBILITY TO FULLY OBSERVE THE LAWS OF ANY RELEVANT TERRITORY OR JURISDICTION OUTSIDE THE UNITED STATES IN CONNECTION WITH ANY PURCHASE OF THE SECURITIES, INCLUDING OBTAINING REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER REQUIRED LEGAL OR OTHER FORMALITIES. THE COMPANY RESERVES THE RIGHT TO DENY THE PURCHASE OF THE SECURITIES BY ANY FOREIGN PURCHASER.

**UP SONDER, LLC**

**Crowd SAFE**

**Series 2019**

**(Crowdfunding Simple Agreement for Future Equity)**

This Series 2019 Crowd SAFE (this “**Crowd SAFE**”) certifies that in exchange for the payment by [Investor Name] (the “**Investor**,” and together with all other Series 2019 Crowd SAFE holders, “**Investors**”) of \$[\_\_\_\_\_] (the “**Purchase Amount**”) on or about [Date of Crowd SAFE], (the “**Investment Date**”), Up Sonder, LLC, a Delaware limited liability company (the “**Company**”), hereby issues to the Investor the right to certain shares of the Company’s Capital Stock (defined below), subject to the terms set forth below.

The “**Discount**” is 20%.

The “**Valuation Cap**” is \$6,000,000.

See Section 2 for certain additional defined terms.

**1. Events**

(a) **Equity Financing.**

(i) If an Equity Financing occurs before this instrument terminates in accordance with Sections 1(b)-(d) (“**First Equity Financing**”), the Company shall notify the Investor of the closing of the First Equity Financing and of the Company’s discretionary decision to either (1) continue the term of this Crowd SAFE without converting the Purchase Amount to Capital Stock; or (2) issue to the Investor a number of units of the CF Shadow Series of Preferred Securities or Common Securities, as applicable, sold in the First Equity Financing. The number of shares of the CF Shadow Series of such Preferred Securities

or Common Securities, as applicable, shall equal the quotient obtained by dividing (x) the Purchase Amount by (y) the applicable Conversion Price (such applicable Conversion Price, the “**First Financing Price**”).

(ii) If the Company elects to continue the term of this Crowd SAFE past the First Equity Financing and another Equity Financing occurs before the termination of this Crowd SAFE in accordance with Sections 1(b)-(d) (each, a “**Subsequent Equity Financing**”), the Company shall notify the Investor of the closing of the Subsequent Equity Financing and of the Company’s discretionary decision to either (1) continue the term of this Crowd SAFE without converting the Investor’s Purchase Amount to Capital Securities; or (2) issue to the Investor a number of shares of the CF Shadow Series of Preferred Securities sold in the Subsequent Equity Financing. The number of shares of the CF Shadow Series of such Preferred Securities shall equal to the quotient obtained by dividing (x) the Purchase Amount by (y) the First Financing Price.

(b) **Liquidity Event.**

(i) If there is a Liquidity Event before the termination of this instrument and before any Equity Financing, the Investor will, at its option, either (i) receive a cash payment equal to the Purchase Amount (subject to the following paragraph) or (ii) automatically receive from the Company a number of shares of Common Securities equal to the Purchase Amount divided by the Liquidity Price, if the Investor fails to select the cash option. In connection with this Section 1(b)(i), the Purchase Amount will be due and payable by the Company to the Investor immediately prior to, or concurrent with, the consummation of the Liquidity Event. If there are not enough funds to pay the Investor and holders of other Crowd SAFEs (collectively, the “**Cash-Out Investors**”) in full, then all of the Company’s available funds will be distributed with equal priority and pro rata among the Cash-Out Investors in proportion to their Purchase Amounts.

(ii) If there is a Liquidity Event after one or more Equity Financings have occurred but before the termination of this instrument, the Investor will, at its option, either (i) receive a cash payment equal to the Purchase Amount (as described in the foregoing paragraph) or (ii) automatically receive from the Company a number of units of the most recent issued Preferred Securities equal to the Purchase Amount divided by the First Financing Price, if the Investor fails to select the cash option. Shares of Preferred Securities granted in connection therewith shall have the same liquidation rights and preferences as the shares of Preferred Securities issued in connection with the Company’s most recent Equity Financing.

(c) **Dissolution Event.** If there is a Dissolution Event before this instrument terminates in accordance with Sections 1(a) or 1(b), subject to the preferences applicable to any series of Preferred Securities, the Company will distribute its entire assets legally available for distribution with equal priority among the (i) Investors (on an as converted basis based on a valuation of Common Securities as determined in good faith by the Company’s board of directors at the time of Dissolution Event), (ii) all other holders of instruments sharing in the assets of the Company at the same priority as holders of Common Securities upon a Dissolution Event and (iii) and all holders of Common Securities.

(d) **Termination.** This instrument will terminate (without relieving the Company or the Investor of any obligations arising from a prior breach of or non-compliance with this instrument) upon the earlier to occur: (i) the issuance of units in the CF Shadow Series to the Investor pursuant to Section 1(a) or Section 1(b); or (ii) the payment, or setting aside for payment, of amounts due to the Investor pursuant to Sections 1(b) or 1(c).

## ***2. Definitions***

**“Capital Stock”** means the Common Securities or Preferred Securities of the Company.

**“CF Shadow Series”** means a series of Preferred Securities that is identical in all respects to the shares of Preferred Securities issued in the relevant Equity Financing (e.g., if the Company sells Series A Preferred Securities in an Equity Financing, the Shadow Series would be Series A-CF Preferred Securities), except that:

- (i) CF Shadow Series unit holders shall have no voting rights and shall not be entitled to vote on any matter that is submitted to a vote or for the consent of the unit holders of the Company;
- (ii) Each of the CF Shadow Series unit holders shall enter into a proxy agreement, in the form of Exhibit A attached hereto, appointing the Intermediary as its irrevocable proxy with respect to any matter to which CF Shadow Series unit holders are entitled to vote by law. Entering into such proxy agreement is a condition of receiving CF Shadow Series and such agreement provides that the Intermediary will vote with the majority of the holders of Preferred Securities of the Company’s Capital Stock on any matters to which the proxy agreement applies; and
- (iii) CF Shadow Series unit holders have no information or inspection rights, except with respect to such rights deemed not waivable by laws.

**“Change of Control”** means (i) a transaction or series of related transactions in which any “person” or “group” (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becomes the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding voting securities of the Company having the right to vote for the election of members of the Company’s board of directors, (ii) any reorganization, merger or consolidation of the Company, other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity or (iii) a sale, lease or other disposition of all or substantially all of the assets of the Company.

**“Common Securities”** means common limited liability company membership units of the Company or common stock of the Company, if the Company is restructured as a corporation, including the securities issuable upon the conversion of this instrument pursuant to Sections 1(a) or 1(b). For purposes of this Crowd SAFE, “common limited liability company membership units” refers to those interests in the Company that, as of the relevant event, would be last to receive a repayment of all capital contributions made in respect to such interests.

**“Conversion Price”** means either: (i) the Safe Price or (ii) the Discount Price, whichever calculation results in a greater number of shares of Preferred Stock.

**“Discount Price”** means the product of (i) the price per unit of Capital Stock sold in an Equity Financing and (ii) 100% less the Discount.

**“Dissolution Event”** means (i) a voluntary termination of operations, (ii) a general assignment for the benefit of the Company’s creditors, (iii) the commencement of a case (whether voluntary or involuntary)

seeking relief under Title 11 of the United States Code (the “Bankruptcy Code”), or (iv) any other liquidation, dissolution or winding up of the Company (excluding a Liquidity Event), whether voluntary or involuntary.

“**Equity Financing**” shall mean the next sale (or series of related sales) by the Company of its Equity Securities to one or more third parties following the date of this instrument from which the Company receives gross proceeds of not less than \$1,000,000 (excluding the conversion of any instruments convertible into or exercisable or exchangeable for Capital Stock, such as SAFEs or convertible promissory notes) with the principal purpose of raising capital.

“**Equity Securities**” shall mean Common Stock or Preferred Stock or any securities convertible into, exchangeable for or conferring the right to purchase (with or without additional consideration) Common Stock or Preferred Stock, except in each case, (i) any security granted, issued and/or sold by the Company to any director, officer, employee, advisor or consultant of the Company in such capacity for the primary purpose of soliciting or retaining his, her or its services, (ii) any convertible promissory notes issued by the Company, and (iii) any SAFEs issued.

“**Fully Diluted Capitalization**” shall mean the aggregate number of issued and outstanding units of Capital Stock, assuming full conversion or exercise of all convertible and exercisable securities then outstanding, including units of convertible Preferred Securities and all outstanding vested or unvested options or warrants to purchase Capital Stock, but excluding (i) the issuance of all shares of Capital Stock reserved and available for future issuance under any of the Company’s existing equity incentive plans, (ii) convertible promissory notes issued by the Company, (iii) any SAFEs, and (iv) any equity securities that are issuable upon conversion of any outstanding convertible promissory notes or SAFEs.

“**IPO**” means the closing of the Company’s first firm commitment underwritten initial public offering of Common Securities pursuant to an effective registration statement filed under the Securities Act.

“**Liquidity Capitalization**” means the number, as of immediately prior to the Liquidity Event, of units of the Company’s Capital Stock (on an as-converted basis) outstanding, assuming exercise or conversion of all outstanding vested and unvested options, warrants and other convertible securities, but excluding: (i) shares of Common Securities reserved and available for future grant under any equity incentive or similar plan; (ii) any SAFEs; and (iii) convertible promissory notes.

“**Liquidity Event**” means a Change of Control or an IPO.

“**Liquidity Price**” means the price per share equal to the Valuation Cap divided by the Liquidity Capitalization.

“**Lock-up Period**” means the period commencing on the date of the final prospectus relating to the Company’s IPO, and ending on the date specified by the Company and the managing underwriter(s). Such period shall not exceed one hundred eighty (180) days, or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports, and (ii) analyst recommendations and opinions.

“**Preferred Securities**” means the preferred limited liability company membership units of the Company or preferred stock of the Company, if the Company is restructured as a corporation, including the securities issuable upon the conversion of this instrument pursuant to Sections 1(b)(i) or 1(d).

“**Regulation CF**” means Regulation Crowdfunding promulgated under the Securities Act.

“**SAFE**” means any simple agreement for future equity (or other similar agreement), including a Crowd SAFE, which is issued by the Company for bona fide financing purposes and which may convert into Capital Stock in accordance with its terms.

“**SAFE Price**” means the price per share equal to the Valuation Cap divided by the Fully Diluted Capitalization.

### **3. Company Representations**

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the state of its organization, and has the power and authority to own, lease and operate its properties and carry on its business as now conducted.

(b) The execution, delivery and performance by the Company of this instrument is within the power of the Company and, other than with respect to the actions to be taken when equity is to be issued to the Investor, has been duly authorized by all necessary actions on the part of the Company. This instrument constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors’ rights generally and general principles of equity. To the knowledge of the Company, it is not in violation of (i) its current charter or bylaws; (ii) any material statute, rule or regulation applicable to the Company; or (iii) any material indenture or contract to which the Company is a party or by which it is bound, where, in each case, such violation or default, individually, or together with all such violations or defaults, could reasonably be expected to have a material adverse effect on the Company.

(c) The performance and consummation of the transactions contemplated by this instrument do not and will not: (i) violate any material judgment, statute, rule or regulation applicable to the Company; (ii) result in the acceleration of any material indenture or contract to which the Company is a party or by which it is bound; or (iii) result in the creation or imposition of any lien upon any property, asset or revenue of the Company or the suspension, forfeiture, or nonrenewal of any material permit, license or authorization applicable to the Company, its business or operations.

(d) No consents or approvals are required in connection with the performance of this instrument, other than: (i) approvals from the Company’s members or manager; (ii) any qualifications or filings under applicable securities laws; and (iii) necessary approvals for the authorization of units of CF Shadow Series or other Capital Stock issuable pursuant to Section 1.

(e) If the Company, prior to the conversion of this instrument, is restructured as a corporation, then it shall issue from its authorized but unissued shares of Capital Stock for issuance and delivery upon the conversion of this instrument, such number of shares of the CF Shadow Series or of Capital Stock, and, from time to time, will take all steps necessary to amend its charter to provide sufficient authorized numbers of shares of the CF Shadow Series or Capital Stock issuable upon the conversion of this instrument. All such shares shall be duly authorized, and when issued upon any such conversion, shall be validly issued, fully paid and non-assessable, free and clear of all liens, security interests, charges and other encumbrances or restrictions on sale and free and clear of all preemptive rights, except encumbrances or restrictions arising under federal or state securities laws.

(f) The Company is (i) not required to file reports pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”), (ii) not an investment company as defined in section 3 of the Investment Company Act of 1940, and is not excluded from the definition of investment company by section 3(b) or section 3(c) of such Act, (iii) not disqualified from selling securities under Rule 503(a) of Regulation CF, (iv) not barred from selling securities under §4(a)(6) due to a failure to make timely annual report filings, (v) not planning to engage in a merger or acquisition with an unidentified company or companies, and (vi) organized under, and subject to, the laws of a state or territory of the United States or the District of Columbia.

#### **4. *Investor Representations***

(a) The Investor has full legal capacity, power and authority to execute and deliver this instrument and to perform its obligations hereunder. This instrument constitutes a valid and binding obligation of the Investor, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors’ rights generally and general principles of equity.

(b) The Investor has been advised that this instrument and the underlying securities have not been registered under the Securities Act or any state securities laws and are offered and sold hereby pursuant to Section 4(a)(6) of the Securities Act. The Investor understands that neither this instrument nor the underlying securities may be resold or otherwise transferred unless they are registered under the Securities Act and applicable state securities laws or pursuant to Rule 501 of Regulation CF, in which case certain state transfer restrictions may apply.

(c) The Investor is purchasing this instrument and the securities to be acquired by the Investor hereunder for its own account for investment, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same. Each Investor understands that the Securities have not been, and will not be, registered under the Securities Act or any state securities laws, by reason of specific exemptions under the provisions thereof which depend upon, among other things, the bona fide nature of the investment intent and the accuracy of each Investor’s representations as expressed herein.

(d) The Investor acknowledges, and is purchasing this instrument in compliance with, the investment limitations set forth in Rule 100(a)(2) of Regulation CF, promulgated under Section 4(a)(6)(B) of the Securities Act.

(e) The Investor acknowledges that the Investor has received all the information the Investor has requested from the Company and the Investor considers necessary or appropriate for deciding whether to acquire this instrument and the underlying securities, and the Investor represents that the Investor has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of this instrument and the underlying securities and to obtain any additional information necessary to verify the accuracy of the information given to the Investor. In deciding to purchase this instrument, the Investor is not relying on the advice or recommendations of the Company or of Republic.co and the Investor has made its own independent decision that an investment in this instrument and the underlying securities is suitable and appropriate for the Investor. The Investor understands that no federal or state agency has passed upon the merits or risks of an investment in this instrument and the underlying securities or made any finding or determination concerning the fairness or advisability of this investment.

(f) The Investor understands and acknowledges that as a Crowd SAFE investor, the Investor shall have no voting, information or inspection rights, aside from any disclosure requirements the Company is required to make under relevant securities regulations.

(g) The Investor understands that no public market now exists for any of the securities issued by the Company, and that the Company has made no assurances that a public market will ever exist for this instrument and the securities to be acquired by the Investor hereunder.

(h) If the Investor is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), the Investor hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for this instrument, including (i) the legal requirements within its jurisdiction for the purchase of this instrument; (ii) any foreign exchange restrictions applicable to such purchase; (iii) any governmental or other consents that may need to be obtained; and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, conversion, redemption, sale, or transfer of this instrument. The Investor's subscription and payment for and continued beneficial ownership of this instrument and the underlying securities will not violate any applicable securities or other laws of the Investor's jurisdiction. The Investor acknowledges that the Company has taken no action in foreign jurisdictions with respect to this instrument and the underlying securities.

(i) Each Investor further acknowledges that it has read, understood, and had ample opportunity to ask Company questions about its business plans, "Risk Factors," and all other information presented in Form C and the offering documentation.

(j) Each Investor represents that the Investor understands the substantial likelihood that the Investor will suffer a **TOTAL LOSS** of all capital invested, and that Investor is prepared to bear the risk of such total loss.

## ***5. Transfer Restrictions.***

(a) The Investor hereby agrees that during the Lock-up Period it will not, without the prior written consent of the managing underwriter: (A) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any units of Capital Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Capital Stock (whether such shares or any such securities are then owned by the Investor or are thereafter acquired); or (B) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities; whether any such transaction described in clause (A) or (B) above is to be settled by delivery of Capital Stock or other securities, in cash, or otherwise.

(b) The foregoing provisions of Section 5(a) will: (x) apply only to the IPO and will not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement; (y) not apply to the transfer of any shares to any trust for the direct or indirect benefit of the Investor or the immediate family of the Investor, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer will not involve a disposition for value; and (z) be applicable to the Investor only if all officers and directors of the Company are subject to the same restrictions and the Company uses commercially reasonable efforts to obtain a similar agreement from all stockholders individually owning more than 5% of the outstanding Common Securities or any securities

convertible into or exercisable or exchangeable (directly or indirectly) for Common Securities. Notwithstanding anything herein to the contrary, the underwriters in connection with the IPO are intended third-party beneficiaries of Section 5(a) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto. The Investor further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with the IPO that are consistent with Section 5(a) or that are necessary to give further effect thereto.

(c) In order to enforce the foregoing covenant, the Company may impose stop transfer instructions with respect to the Investor's registrable securities of the Company (and the Company shares or securities of every other person subject to the foregoing restriction) until the end of the Lock-up Period. The Investor agrees that a legend reading substantially as follows will be placed on all certificates representing all of the Investor's registrable securities of the Company (and the shares or securities of the Company held by every other person subject to the restriction contained in Section 5(a)):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD BEGINNING ON THE EFFECTIVE DATE OF THE COMPANY'S REGISTRATION STATEMENT FILED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE COMPANY'S PRINCIPAL OFFICE. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SECURITIES.

(d) Without in any way limiting the representations and warranties set forth in Section 4 above, the Investor further agrees not to make any disposition of all or any portion of this instrument or the underlying securities unless and until the transferee has agreed in writing for the benefit of the Company to make the representations and warranties set out in Section 4 and the undertaking set out in Section 5(a) and:

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

(ii) The Investor shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition and, if reasonably requested by the Company, the Investor shall have furnished the Company with an opinion of counsel reasonably satisfactory to the Company that such disposition will not require registration of such shares under the Securities Act.

(e) The Investor agrees that it shall not make any disposition of this instrument or any underlying securities to any of the Company's competitors, as determined by the Company in good faith.

(f) The Investor understands and agrees that the Company will place the legend set forth below or a similar legend on any book entry or other forms of notation evidencing this Crowd SAFE and any certificates evidencing the underlying securities, together with any other legends that may be required by state or federal securities laws, the Company's charter or bylaws, any other agreement between the Investor and the Company or any agreement between the Investor and any third party:

THIS INSTRUMENT HAS BEEN ISSUED PURSUANT TO SECTION 4(A)(6) OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND

NEITHER IT NOR ANY SECURITIES ISSUABLE PURSUANT HERETO HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED BY RULE 501 OF REGULATION CROWDFUNDING UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR EXEMPTION THEREFROM.

## 6. *Miscellaneous*

(a) The Investor agrees to take any and all actions determined in good faith by the Company's board of directors or equivalent governance body to be advisable to reorganize this instrument and any shares of Capital Stock issued pursuant to the terms of this instrument into a special purpose vehicle or other entity designed to aggregate the interests of holders of Crowd SAFEs.

(b) Any provision of this instrument may be amended, waived or modified only upon the written consent of either (i) the Company and the Investor, or (ii) the Company and the majority of the Investors (calculated based on the Purchase Amount of each Investors Crowd SAFE).

(c) Any notice required or permitted by this instrument will be deemed sufficient when delivered personally or by overnight courier or sent by email to the relevant address listed on the signature page, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address listed on the signature page, as subsequently modified by written notice.

(d) The Investor is not entitled, as a holder of this instrument, to vote or receive dividends or be deemed the holder of Capital Stock for any purpose, nor will anything contained herein be construed to confer on the Investor, as such, any of the rights of a stockholder of the Company or any right to vote for the election of managers, directors or upon any matter submitted to equity holders at any meeting thereof, or to give or withhold consent to any Company action or to receive notice of meetings, or to receive subscription rights or otherwise until Common Stock has been issued upon the terms described herein.

(e) Neither this instrument nor the rights contained herein may be assigned, by operation of law or otherwise, by either party without the prior written consent of the other; *provided, however*, that this instrument and/or the rights contained herein may be assigned without the Company's consent by the Investor to any other entity who directly or indirectly, controls, is controlled by or is under common control with the Investor, including, without limitation, any general partner, managing member, officer or director of the Investor, or any venture capital fund now or hereafter existing which is controlled by one or more general partners or managing members of, or shares the same management company with, the Investor; and *provided, further*, that the Company may assign this instrument in whole, without the consent of the Investor, in connection with a reincorporation to change the Company's domicile.

(f) In the event any one or more of the terms or provisions of this instrument is for any reason held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the terms or provisions of this instrument operate or would prospectively operate to invalidate this instrument, then such term(s) or provision(s) only will be deemed null and void and will not affect any other term or provision of this instrument and the remaining terms and provisions of this instrument will remain operative and in full force and effect and will not be affected, prejudiced, or disturbed thereby.

(g) All securities issued under this instrument may be issued in whole or fractional parts.

(h) All rights and obligations hereunder will be governed by the laws of the State of California, without regard to the conflicts of law provisions of such jurisdiction.

(i) Any dispute, controversy or claim arising out of, relating to or in connection with this instrument, including the breach or validity thereof, shall be determined by final and binding arbitration administered by the American Arbitration Association (the “AAA”) under its Commercial Arbitration Rules and Mediation Procedures (“**Commercial Rules**”). The award rendered by the arbitrator shall be final, non-appealable and binding on the parties and may be entered and enforced in any court having jurisdiction. There shall be one arbitrator agreed to by the parties within twenty (20) days of receipt by respondent of the request for arbitration or, in default thereof, appointed by the AAA in accordance with its Commercial Rules. The place of arbitration shall be Los Angeles, California. Except as may be required by law or to protect a legal right, neither a party nor the arbitrator may disclose the existence, content or results of any arbitration without the prior written consent of the other parties.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be duly executed and delivered.

**UP SONDER, LLC**

By:

\_\_\_\_\_  
Name: Derek Waleko

Title: Manager

Address: 5482 Wilshire Boulevard, Los Angeles, CA 90036, USA

Email: derek.waleko@upsonder.com

**INVESTOR:**

By:

Name:

## Exhibit A – CF Shadow Series Proxy

### Irrevocable Proxy

Reference is hereby made to a certain Crowdfunding Simple Agreement for Future Equity (the “**Crowd SAFE**”) dated [Date of Crowd SAFE] between Up Sonder, LLC, a Delaware limited liability company (the “**Company**”) and [Investor] (“**Member**”). In connection with a conversion of Member’s investment in the Crowd SAFE into Preferred Securities of a CF Shadow Series (as defined in the Crowd SAFE) pursuant to the Crowd SAFE, the Member and OpenDeal Portal LLC (the “**Intermediary**”) as another holder of Preferred Securities of a CF Shadow Series hereby agree to this Irrevocable Proxy (this “**Irrevocable Proxy**”) as follows:

#### 1. Grant of Irrevocable Proxy.

- (a) With respect to all Preferred Securities of CF Shadow Series owned by the Member as of the date of this Irrevocable Proxy or any subsequent date (the “**Interests**”), Member hereby grants to Intermediary an irrevocable proxy under Section 212 of the Delaware General Corporation Law or Section 302 of the Delaware Limited Liability Company Act, as applicable, to vote the Interests in any manner that the Intermediary may determine in its sole and absolute discretion. For the avoidance of doubt, the Intermediary, as the holder of this Irrevocable Proxy (“**Holder**”) (rather than the Member) will vote the Interests with respect to all meetings of equity holders and other actions (including actions by written consent in lieu of a meeting) on which holders of Interests may be entitled to vote. The Intermediary hereby agrees to vote all Interests consistently with the majority of the Preferred Securities on which the CF Shadow Series is based. This proxy revokes any other proxy granted by the Member at any time with respect to the Interests.
- (b) The Intermediary shall have no duty, liability or obligation whatsoever to the Member arising out of the Intermediary’s exercise of this Irrevocable Proxy. The Member expressly acknowledges and agrees that (i) the Member will not impede the exercise of the Intermediary’s rights under this Irrevocable Proxy and (ii) the Member waives and relinquishes any claim, right or action the Member might have, as an equity holder of the Company or otherwise, against the Intermediary or any of its affiliates or agents (including any directors, officers, managers, members, and employees) in connection with any exercise of the irrevocable proxy granted hereunder.
- (c) This Irrevocable Proxy shall expire as to those Interests on the earlier of (i) the date that such Interests are converted into Common Securities of the Company or (ii) the date that such Interests are converted to cash or a cash equivalent, but shall continue as to any Interests not so converted.

**2. Legend.** The Member agrees to permit an appropriate legend on certificates evidencing the Interests or any transfer books or related documentation of ownership reflecting the grant of the irrevocable proxy contained in the foregoing Section 1.

**3. Representations and Warranties.** The Member represents and warrants to the Intermediary as follows:

- (a) The Member has all necessary rights, power and authority to execute, deliver and perform his or her obligations under this Irrevocable Proxy. This Irrevocable Proxy has been duly executed and

delivered by the Member and constitutes such Member's legal and valid obligation enforceable against the Member in accordance with its terms.

- (b) The Member is the record owner of the Interests and the Member has plenary voting and dispositive power with respect to such Interests; the Member owns no other equity of the Company; there are no proxies, voting trusts or other agreements or understandings to which such Member is a party or bound by and which expressly require that any of the Interests be voted in any specific manner other than pursuant to this Irrevocable Proxy; and the Member has not entered into any agreement or arrangement inconsistent with this Irrevocable Proxy.

**4. Equitable Remedies.** The Member acknowledges that irreparable damage would result if this Irrevocable Proxy is not specifically enforced and that, therefore, the rights and obligations of the Intermediary may be enforced by a decree of specific performance issued by arbitration pursuant to the Crowd SAFE, and appropriate injunctive relief may be applied for and granted in connection therewith. Such remedies shall, however, not be exclusive and shall be in addition to any other remedies that the Intermediary may otherwise have available.

**5. Defined Terms.** All terms defined in this Irrevocable Proxy shall have the meaning defined herein. All other terms will be interpreted in accordance with the Crowd SAFE.

**6. Amendment.** Any provision of this instrument may be amended, waived or modified only upon the written consent of (i) the Member and (ii) the Intermediary .

**7. Controlling Provisions.** If any of the terms, conditions, or provisions of this Irrevocable Proxy are inconsistent or contrary to the terms in the Crowd SAFE, such Crowd SAFE shall control.

**8. Assignment.**

- (a) In the event the Member wishes to transfer, sell, hypothecate or otherwise assign any Interests, the Member hereby agrees to require, as a condition of such action, that the counterparty or counterparties thereto must enter into a proxy agreement with the Intermediary substantially identical to this Irrevocable Proxy.
- (b) The Intermediary may transfer its rights under this instrument after giving prior written notice to the Member.

**9. Severability.** In the event any one or more of the terms or provisions of this instrument is for any reason held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the terms or provisions of this instrument operate or would prospectively operate to invalidate this instrument, then such term(s) or provision(s) only will be deemed null and void and will not affect any other term or provision of this instrument and the remaining terms and provisions of this instrument will remain operative and in full force and effect and will not be affected, prejudiced, or disturbed thereby.

*(Signature page follows)*

**INVESTOR:**

By:  
Name:

Date:

**INTERMEDIARY:**

By:

Name:

COO, OpenDeal Portal LLC d/b/a Republic

Date: