

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 12, 2023

**Crown Electrokinetics Corp.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other Jurisdiction of  
Incorporation)

001-39924

(Commission File No.)

47-5423944

(IRS Employer Identification No.)

1110 NE Circle Blvd.  
Corvallis, Oregon 97330

(Address of principal executive offices and zip code)

(800) 674-3612

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	CRKN	NASDAQ Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01. Entry into a Material Definitive Agreement.**

October Convertible Note Repricing

As previously disclosed, on October 19, 2022, Crown Electrokinetics Corp. (the "Company") entered into a Securities Purchase Agreement (the "October Purchase Agreement") with certain accredited investors as purchasers (the "October Investors"). Pursuant to the October Purchase Agreement, the Company sold, and the October Investors purchased, approximately \$5.4 million in principal amount of senior secured convertible notes (the "October Notes") and warrants (the "Warrants").

On May 12, 2023, the Company entered into letter agreements (the "Inducement Agreements") with certain of the October Investors, pursuant to which such October Investors agreed to reduce the conversion price of October Notes in an aggregate principal amount equal to \$1,500,000, to \$0.1547 per share, which are now convertible into 9,693,681 shares of the Company's common stock, representing an increase of 5,030,951 shares in excess of the number of shares into which such October Notes were convertible prior to the Company's entry into the Inducement Agreements.

On May 17, 2023, the Company entered into Inducement Agreements with the remaining October Investors, pursuant to which such October Investors agreed to reduce the conversion price of October Notes in an aggregate principal amount equal to \$1,392,657, to \$0.1822 per share, which are now convertible into 7,643,560 shares of the Company's common stock, representing an increase of 3,314,506 shares in excess of the number of shares into which such October Notes were convertible prior to the Company's entry into the Inducement Agreements.

Line of Credit Promissory Note Extension

As previously disclosed, on February 2, 2023, the Company entered into a Line of Credit Agreement (the "Line of Credit") with a lender, pursuant to which the lender extended to the Company a secured line of credit in an amount not to exceed \$100,000,000, to be used to fund expenses related to the fulfillment of contracts with customers of Crown Fiber Optics, the Company's wholly-owned subsidiary. In connection therewith, the Company issued to the lender a secured promissory note (the "LOC Note") in a principal amount equal to \$2,000,000.

On May 15, 2023, the Company entered into that certain Third Amendment to the Convertible Promissory Note (the "LOC Note Amendment") with the lender, pursuant to which the lender agreed to extend the maturity date of the LOC Note until June 7, 2023 in exchange for, subject to stockholder approval, 4,000 shares of the Company's Series E Preferred Stock, which are convertible into 4,000,000 shares of the Company's common stock.

#### January Convertible Note

As previously disclosed, on January 3, 2023, the Company entered into a Securities Purchase Agreement (the "January Purchase Agreement") with certain accredited investors as purchasers (the "January Investors"). Pursuant to the January Purchase Agreement, the Company sold, and the January Investors purchased, \$1.2 million in principal amount of senior secured notes (the "January Notes") and 2,500,000 warrants ("January Warrants"), each January Warrant entitling the holder to purchase one share of the Company's common stock.

On May 15, 2023, the lead lender and collateral agent for the January Notes agreed to grant the Company an extension of the maturity date thereof until May 23, 2023 in exchange for the issuance by the Company to the January Investors, on a pro rata basis, of 4,000,000 shares of the Company's common stock, subject to approval by the Company's stockholders.

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#### Demand Notes

Between May 17, 2023 and May 18, 2023, the Company issued secured demand promissory notes (the "Demand Notes") to certain investors (the "Holders") in an aggregate principal amount equal to \$429,877. The Demand Notes are due and payable at any time upon demand by a Holder after the earlier of (i) the consummation of the Company's first securities offering after the issuance of the Demand Notes and (ii) July 16, 2023. The Demand Notes do not bear interest. In connection with the issuance of the Demand Notes, subject to stockholder approval, the Company agreed to issue to the Holders an aggregate of 8,597,539 shares of the Company's common stock.

The foregoing descriptions of the Inducement Agreement, LOC Note Amendment and Demand Note do not purport to be a complete description of the rights and obligations of the parties thereunder and are qualified in their entirety by reference to the full text of such Inducement Agreement, LOC Note Amendment and Demand Note, respectively, forms of which are attached hereto as Exhibit 10.1, 10.2 and 10.3, respectively.

#### **Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.**

As previously disclosed, the Company requested a hearing by the Nasdaq Hearings Panel (the "Panel") of The Nasdaq Stock Market LLC ("Nasdaq") to appeal delisting determinations made by the Listing Qualifications Department (the "Staff") of Nasdaq on March 1, 2023 for failure to comply with the bid price requirement of Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Rule") and on April 4, 2023 for failure to comply with the minimum stockholders equity required for continued listing on Nasdaq, or any of the alternative requirement to Nasdaq Listing Rule 5550(b) (the "Equity Rule"). At the Panel hearing, which occurred on April 20, 2023, the Company, represented by members of senior management and outside counsel, advised that the Company intends to regain compliance with the Bid Price Rule by effecting a reverse stock split. The Company also informed the Panel that it intends to regain compliance with the Equity Rule by completing one or more equity financings. As such, the Company proposed to the Panel a compliance plan that included a tentative schedule to complete the reverse stock split and equity financings and requested an extension of time to fully comply with Nasdaq listing requirements so that the Company could demonstrate to the Panel that it should not be delisted from Nasdaq.

On May 15, 2023, the Company received a letter (the "Letter") from Nasdaq notifying the Company that the Panel had granted the Company's request to continue its listing on Nasdaq until August 28, 2023, subject to certain conditions.

The Company intends to comply with the conditions set forth by the Panel, as stated in the Letter. There can be no assurance that the Panel will afford the Company more time to complete the compliance plan it articulated in the hearing, or that the Company will be able to remain in compliance with the applicable Nasdaq listing requirements on an ongoing basis.

#### **Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	<a href="#">Form of Inducement Agreement by and between the Company and the October Investors.</a>
10.2	<a href="#">Form of LOC Note Amendment by and between the Company and Eleven Advisors LLC.</a>
10.3	<a href="#">Form of Demand Note issued by the Company to the Holders.</a>
104	Cover Page Interactive Data File (embedded within Inline XBRL document).

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#### **SIGNATURE**

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**CROWN ELECTROKINETICS CORP.**

Dated: May 18, 2023

By: /s/ Doug Croxall

Name: \_\_\_\_\_  
Title: Chief Executive Officer

Crown Electrokinetics Corp.  
11601 Wilshire Blvd., Suite 2240  
Los Angeles, CA 90025

May \_\_, 2023

Holder of Senior Secured Convertible Note

Re: Reduction of Conversion Price

Dear Holder:

Reference is hereby made to that certain Securities Purchase Agreement, dated October 19, 2022, by and among Crown Electrokinetics Corp., a Delaware corporation with offices located at 11601 Wilshire Blvd., Suite 2240, Los Angeles, CA 90025 (the “**Company**”), the investor signatory hereto (“**you**” or the “**Investor**”) and certain other buyers signatory thereto (the “**Securities Purchase Agreement**”), pursuant to which you acquired, among other things, certain senior secured convertible notes (the “**Securities**”) convertible into shares of Common Stock (as defined in the Securities Purchase Agreement) in accordance with the terms of the Securities (as defined in the Securities Purchase Agreement). Capitalized terms not defined herein shall have the meaning as set forth in the Securities Purchase Agreement or the Securities, as applicable.

Pursuant to Section 7(f) of the Securities, we hereby provide you with notice that the Company desires your consent pursuant to Section 7(f) of the Securities, to lower the Conversion Price of your Securities for each date after the date hereof (each, a “**Conversion Price Reduction**”), from \$0.3217 per share to \$\_\_\_\_\_ per share (as adjusted for stock splits, stock dividends, stock combinations, recapitalizations and similar events, the “**New Alternate Conversion Price**”). Please execute this letter in the signature block below if you consent to the Company effecting the Conversion Price Reduction (the time of such execution, the “**Effective Time**”).

The Company shall, on or before 8:30 a.m., New York City time, on the first business day after the date of this letter, issue a press release disclosing all material terms of the transactions contemplated hereby (the “**Press Release**”). From and after the issuance of the Press Release, the Investor shall not be in possession of any material, nonpublic information received from the Company or any of its Subsidiaries or any of their respective officers, directors, employees, affiliates or agents, that is not disclosed in the Press Release. In addition, effective upon the issuance of the Press Release, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any letter, whether written or oral, between the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and the Investor or any of its affiliates, on the other hand, shall terminate and be of no further force or effect. The Company understands and confirms that the Investor will rely on the foregoing representations in effecting transactions in securities of the Company.

The Company shall reimburse Kelley Drye & Warren LLP for all reasonable costs and expenses incurred by it in connection with preparing and delivering this letter (including, without limitation, all reasonable legal fees and disbursements in connection therewith, and due diligence in connection with the transactions contemplated thereby).

Section 9 of the Securities Purchase Agreement is hereby incorporated by reference herein, mutatis mutandis.

If you have any questions regarding the foregoing, please feel free to contact Doug Croxall at (800) 674-3612 or by email to doug@crownek.com.

Sincerely,

**CROWN ELECTROKINETICS CORP.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Agreed to and Acknowledged:

\_\_\_\_\_  
Name of Investor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_

**THIRD AMENDMENT TO SECURED NOTE**

This Third Amendment to the Convertible Promissory Note (the "Amendment") is entered into as of May 15, 2023 (the "Effective Date") by and between Eleven Advisors LLC, maintaining an address at 463 Adams St, Denver, CO. 80206 ("Holder"), and Crown Electrokinetics Corp., a Delaware corporation maintaining an address at 11601 Wilshire Blvd., Suite 2240, Los Angeles, CA 90025 (the "Company"). Capitalized terms not otherwise defined herein shall have the meanings set forth for such terms in the Note (as defined below).

W I T N E S S E T H:

WHEREAS, the Company and Holder entered into a Line of Credit Agreement dated January 30, 2023 pursuant to which the Company issued Holder a convertible promissory note in the principal amount of \$2,000,000.00 due April 3, 2023 (the "Note") and a warrant (the "Warrant") to purchase 45,000 shares of Series E Preferred Stock;

WHEREAS; the Company and Holder entered into a previous amendment dated April 14, 2023 (the "First Amendment");

WHEREAS; the Company and Holder entered into a previous amendment dated May 1, 2023 (the "Second Amendment");

WHEREAS, the Company and Holder desire to extend the Maturity Date of the Note;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and representations contained herein, and subject to the terms and conditions hereof, the Company and Bristol hereby agree as follows:

1. Subject to the terms of this Agreement and acceleration as set forth in the Note, the Maturity Date shall be extended to June 7, 2023.

2. The Company shall issue to Holder, within one (1) day after the date of this Agreement, 4,000 shares of the Company's Series E Preferred Stock (the "New Shares").

3. The Company shall have issued the two million (2,000,000) shares of the Company's common stock owed pursuant to the First Amendment and the common stock into which the New Shares are convertible registered for resale with the Securities and Exchange Commission ("SEC") no later than June 7, 2023. In the event, the Company fails to have such registration statement filed by June 7, 2023, or declared effective by July 7, 2023 the Company shall issue holder an additional 4,000 shares of the Company's Series E Preferred Stock and have the common stock into which such additional shares are convertible included in the registration statement.

4. The Company shall not file any other registration statement with the SEC until all the shares for which it is required to register with the SEC have been registered for at least 30 days.

5. In the event the Securities and Exchange Commission ("Commission") requires the Company to reduce the number of shares of common stock included in a registration statement filed on behalf of the Holder, the Company shall be required to file additional registration statements until all common stock issuable to Holder under the Line of Credit Agreement, Note and all amendments thereto have been registered for resale with the Commission.

6. Except as specifically modified herein, the Note remain in full force an effect pursuant to the terms of the original Note and the First Amendment and Second Amendment.

7. Each party to this Amendment represents and warrants that this Amendment has been duly authorized, executed and delivered by him, her or it and constitutes his, her or its legal, valid and binding obligation, enforceable against him, her or it in accordance with its terms.

8. Any dispute, disagreement, conflict of interpretation or claim arising out of or relating to this Amendment, or its enforcement, shall be governed by the laws of the State of Delaware, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Amendment shall be commenced exclusively in the state and federal courts sitting in Delaware. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the State of Delaware for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Amendment in any court referred to above. Each party to this Amendment irrevocably consents to service of process in the manner provided for notices below. Nothing in this Amendment will affect the right of any party to this Amendment to serve process in any other manner permitted by law. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this agreement or the transactions contemplated hereby (whether based on contract, tort or any other theory). If either party shall commence an action or proceeding to enforce any provisions of this Amendment, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses including but not limited to court costs incurred with the investigation, preparation and prosecution of such action or proceeding.

9. This Amendment may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. A telefaxed copy or electronic copy in PDF format of this Amendment shall be deemed an original.

**[SIGNATURE PAGE TO FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**Crown Electrokinetics Corp.**

By: \_\_\_\_\_  
 Name:  
 Title:

Eleven Advisors LLC

By: \_\_\_\_\_  
Name:  
Title:

THE ISSUANCE AND SALE OF THE SECURITY REPRESENTED BY THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITY MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (i) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITY UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL, IN A FORM GENERALLY ACCEPTABLE TO THE COMPANY'S LEGAL COUNSEL, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (ii) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT.

**DEMAND SECURED PROMISSORY NOTE**

\$[ ]

May 17, 2023  
New York, New York

FOR VALUE RECEIVED, Crown Electrokinetics Corp., a Delaware corporation (the "Maker"), hereby promises to pay to the order of \_\_\_\_\_ or its assigns ("Holder"), the principal amount of [ ] (\$ [ ]) (the "Principal") and to pay interest ("Interest") on any outstanding Principal at a rate per annum equal to the Interest Rate (as defined below), from the date hereof until the same becomes due and payable in each case in accordance with the terms hereof.

1. Payment on Demand. The entire unpaid Principal of this demand promissory note (this "Note"), together with accrued and unpaid interest hereunder, shall be due and payable at any time, or from time to time, upon a demand made by Holder for any reason or no reason from and after the earlier to occur of (x) the time of consummation of the first subsequent offering of securities by the Company occurring on or after the date hereof and (y) [ ], 2023. The Maker will pay to the Holder of this Note on demand such further amount as shall be sufficient to cover all costs and expenses of such Holder incurred in the drafting and negotiation of this Note and all costs and expenses of any enforcement or collection of this Note, including, without limitation, reasonable attorneys' fees, expenses and disbursements. Payments shall be credited first to the accrued interest then due and payable and the remainder applied to Principal. The purchase price of this Note was [ ]. As additional consideration for the issuance of this Note, in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506(b) of Regulation D as promulgated by the United States Securities and Exchange Commission under the 1933 Act, on the date hereof the Maker shall also issue to the Holder [ ] shares of the Maker's common stock, \$0.0001 par value per share. Such shares will require shareholder consent before issuance.

2. Interest. Interest on this Note shall commence accruing on the date hereof at the Interest Rate and shall be computed on the basis of a 360-day year and twelve 30-day months, shall compound each calendar month and shall be payable in arrears to the Holder on the date of any demand of payment hereunder in cash. For purposes of this Note, "Interest Rate" means, zero percent (0%) per annum.

3. Prepayment. Prepayment by Maker of Principal, together with any accrued and unpaid Interest and any Late Charges, may be made at any time after the date hereof without notice, premium or penalty. Notwithstanding anything herein to the contrary, so long as any amounts remain outstanding hereunder, all cash proceeds (or such lower portion as mutually agreed upon by the Maker and the Holder prior to such Subsequent Offering) received by the Maker on or after the date hereof from any sales of any securities of the Maker after the date hereof (each, a "Subsequent Offering", and each such cash amount, the "Subsequent Offering Proceeds" thereof), shall be used to repay this Note (such portion of any given Subsequent Offering Proceeds required to be mandatorily paid to the Holder hereunder, each a "Subsequent Offering Payment"). Any Subsequent Offering Payment received by the Maker prior to 4:00 P.M. New York city time on a given date shall be paid to the Holder on such given date. Any Subsequent Offering received by the Maker after 4:00 P.M. New York city time on a given date shall be paid to the Holder on the immediately following business day. The Maker shall deliver written notice of any transactions with respect to the applicable Subsequent Offering three (3) business days prior to the contemplated consummation of such Subsequent Offering.

4. Representations and Warranties of Maker. Maker represents and warrants as follows as of the date hereof: (a) it is duly organized, validly existing and in good standing under the laws of its state of Delaware; (b) the execution, delivery and performance by Maker of this Note are within Maker's powers, have been duly authorized by all necessary actions, and do not contravene its governing agreements, certificates or other organization documents, and do not contravene any law or any contractual restriction binding on or affecting Maker; (c) no authorization or approval or other action by, and no notice to or filing with any governmental authority or regulatory body is required for the due execution, delivery and performance by Maker of this Note; (d) this Note constitutes the legal, valid and binding obligation of Maker party thereto, enforceable against Maker in accordance with its terms, except to the extent enforceability is limited by bankruptcy, insolvency, fraudulent conveyance, moratorium and other laws for the protection of creditors generally and by general equitable principles; and (e) there is no pending or, to Maker's knowledge, threatened action or proceeding affecting Maker before any governmental agency or arbitrator with respect to the transactions contemplated by this Note or which may materially adversely affect the property, assets or condition (financial or otherwise) of Maker.

5. Late Charges. Any amount of Principal, Interest or other amounts due hereunder which is not paid when due (a "Payment Default") shall result in a late charge being incurred and payable by the Maker at the rate of fifteen percent (15%) per annum of such amount from the date such amount was due until the same is paid in full (the "Late Charges").

6. Security.

(a) General. As collateral security for to secure prompt repayment of any and all amounts outstanding hereunder from time to time and to secure prompt performance by the Maker of each of its covenants and duties under this Note, as and when due, Maker hereby pledges and assigns to the Holder a continuing security interest in, all personal property and assets of Maker and its subsidiaries, wherever located and whether now or hereafter existing and whether now owned or hereafter acquired, of every kind, nature and description, whether tangible or intangible (collectively, the "Collateral"). Such security interest constitutes a valid, first priority security interest in the Collateral, and will constitute a valid, first priority security interest in later-acquired Collateral. Notwithstanding any filings undertaken related to the Holder's rights under the Delaware Uniform Commercial Code (the "Code"), the Holder's lien on the Collateral shall remain in effect for so long as this Note remains outstanding.

(b) Further Assurances. Maker will, at its expense, at any time and from time to time, promptly execute and deliver all further instruments and documents and take all further action that the Holder may reasonably request in order to: (i) perfect and protect the security interest of the Holder created hereby; (ii) enable the Holder to exercise and enforce its rights and remedies hereunder in respect of the Collateral.

(c) Mechanics. To the maximum extent permitted by applicable law, and for the purpose of taking any action that the Holder may deem necessary or advisable to accomplish the purposes of this Note, Maker hereby (i) authorizes the Holder to execute any such agreements, instruments or other documents in Maker's name and to file such agreements, instruments or other documents in Maker's name and in any appropriate filing office, (ii) authorizes the Holder at any time and from time to time to file, one or more financing or continuation statements, and amendments thereto, relating to the Collateral (including, without limitation, any such financing statements that (A) describe the

Collateral as “all assets” or “all personal property” (or words of similar effect) or that describe or identify the Collateral by type or in any other manner as the Holder may determine regardless of whether any particular asset of Maker falls within the scope of Article 9 of the Code or whether any particular asset of Maker constitutes part of the Collateral, and (B) contain any other information required by Part 5 of Article 9 of the Code for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including, without limitation, whether Maker is an organization, the type of organization and any organizational identification number issued to Maker) and (iii) ratifies such authorization to the extent that the Holder has filed any such financing or continuation statements, or amendments thereto, prior to the date hereof.

(d) Power of Attorney; License. Maker hereby irrevocably appoints the Holder as its attorney-in-fact and proxy, with full authority in the place and stead of Maker and in the name of Maker or otherwise, from time to time in the Holder’s discretion, to take any action and to execute any instrument which the Holder may deem necessary or advisable to accomplish the purposes of this Note. This power is coupled with an interest and is irrevocable until all of amounts outstanding hereunder have been paid in full. For the purpose of enabling the Holder to exercise rights and remedies hereunder, at such time as the Holder shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, Maker hereby grants to the Holder, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to Maker) to use, assign, license or sublicense any intellectual property now owned or hereafter acquired by Maker, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

(e) No Duty. The powers conferred on the Holder hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Holder shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

(f) Remedies Upon Payment Default. If a Payment Default shall have occurred and be continuing, the Holder may exercise in respect of the Collateral, in addition to any other rights and remedies provided for herein or otherwise available to it, all of the rights and remedies of a secured party upon default under the Code (whether or not the Code applies to the affected Collateral).

7. Indemnification; Expenses. Maker hereby indemnifies and holds harmless Holder, each of its affiliates and correspondents and each of their respective directors, officers, employees, agents and advisors (each an “Indemnified Party”) from and against any and all actions, claims, damages, losses, liabilities, fines, penalties, costs and expenses of any kind (including, without limitation, counsel fees and disbursements in connection with any subpoena, investigative, administrative or judicial proceeding, whether or not the Indemnified Party shall be designated a party thereto) which may be incurred by the Indemnified Party or which may be claimed against the Indemnified Party by any person by reason of or in connection with the execution, delivery or performance of this Note, or action taken or omitted to be taken by Holder under, this Note. Nothing in this paragraph is intended to limit Maker’s obligations contained elsewhere in this Note. Without prejudice to the survival of any other obligation of Maker hereunder, the indemnities and obligations of Maker contained in this paragraph shall survive the payment in full of all obligations hereunder. Maker agrees to pay to the Holder upon demand the amount of any and all costs and expenses, including the reasonable fees, costs, expenses and disbursements of counsel for the Holder and of any experts and agents, which the Holder may incur in connection with (i) the preparation, negotiation, execution, delivery, recordation, administration, amendment, waiver or other modification or termination of this Note, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any Collateral, (iii) the exercise or enforcement of any of the rights of the Holder hereunder, or (iv) the failure by Maker to perform or observe any of the provisions hereof.

8. Alternate Payment Upon Extended Payment Default. If a Payment Default hereunder remains outstanding for a period of forty-eight (48) hours, at any time thereafter the Holder may, by delivery of a written notice to the Maker (each, an “Alternate Payment Notice”), require the Maker to redeem all, or any part, of this Note, including any accrued and unpaid Interest and any Late Charges (as set forth in such Alternate Payment Notice) (such aggregate portion of this Note to be redeemed, each, an “Alternate Payment Amount”) at a redemption price equal to 125% of such Alternate Payment Amount as set forth in such Alternate Payment Notice (each, an “Alternate Payment”). Upon the consummation of an Alternate Payment, the corresponding Alternate Payment Amount of this Note shall no longer remain outstanding and shall be deemed satisfied in full.

9. Miscellaneous.

(a) All amounts to be paid in cash hereunder shall be paid when due by wire transfer in United States dollars and immediately available funds in accordance with the wire instructions delivered to such party entitled to receive such payment prior to such date.

(b) If any cash payment on this Note shall become due on a Saturday, Sunday or a bank or legal holiday, such payment shall be made on the next succeeding business day.

(c) No course of dealing and no delay on the part of the Holder of this Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such Holder’s rights, powers or remedies. No right, power or remedy conferred by this Note upon the Holder hereof shall be exclusive of any other right, power or remedy referred to herein or now or hereafter available at law, in equity, by statute or otherwise.

(d) Maker hereby waives presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note.

(e) If Interest, Late Charges or other amounts payable under this Note is in excess of the maximum permitted by law, the Interest, Late Charges or other amounts chargeable hereunder shall be reduced to the maximum amount permitted by law and any excess over the maximum amount permitted by law shall be credited to the Principal of this Note and applied to the same and not to the payment of Interest, Late Charges or such other amounts, as applicable.

(f) Maker hereby (i) irrevocably submits to the jurisdiction of any New York State or Federal court sitting in New York City, New York in any action or proceeding arising out of or relating to this Note, (ii) waive any defense based on doctrines of venue or forum non conveniens, or similar rules or doctrines and (iii) irrevocably agree that all claims in respect of such an action or proceeding may be heard and determined in such New York State or Federal court. This Note shall be governed by, and construed in accordance with, the laws of the State of Illinois. **MAKER HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS NOTE.**

(g) This Note shall be binding upon and inure to the benefit of Maker and Holder and their respective successors, assigns, heirs and legal representations, except that Maker may not assign any rights or obligations hereunder without the prior written consent of Holder. Holder may assign to other affiliated entities all or a portion of its rights under this Note.

(h) Maker acknowledges that the transaction of which this Note is a part is a commercial transaction and hereby waives its right to any notice and hearing as may be allowed by any state or federal law with respect to any prejudgment remedy which any Holder or its successors or assigns may use.

(i) The Holder of this Note may proceed to protect and enforce the rights of such Holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

(j) If this Note is lost or destroyed, Maker shall, at Holder's request and upon receipt of a lost note affidavit, in a customary form, from the Holder, execute and return to Holder a replacement promissory note identical to this Note. No replacement of this Note shall result in a novation of Maker's obligations under this Note. Maker acknowledges the need to act promptly upon its receipt of the documentation evidencing any request by Holder that the Note be replaced pursuant to this paragraph and agrees that Maker will meet the reasonable deadlines of Holder provided that Maker has received the applicable documents at least ten (10) business days prior to such deadline. Furthermore, Maker agrees to reasonably cooperate with Holder to effectuate the obtainment of such title policy endorsements, or new title evidence and other assurances and documents as Holder shall reasonably require.

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IN WITNESS WHEREOF, this Note has been executed as of the date first written above.

**CROWN ELECTROKINETICS CORP.**

By: \_\_\_\_\_  
Name:  
Title:

Agreed and accepted by:

[ ]

By: \_\_\_\_\_  
Name:  
Title: