As filed with the Securities and Exchange Commission on June 21, 2021.

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Blend Labs, Inc.
(Exact name of registrant as specified in its charter)

Delaware	7370	45-5211045
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Blend Labs, Inc.
415 Kearny Street
San Francisco, California 94108
(650) 550-4810
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Nima Ghamsari
Head of Blend and Co-Founder
415 Kearny Street
San Francisco, California 94108
(650) 550-4810
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Rezwan D. Pavri **Lisa L. Stimmell** **Andrew T. Hill** **Catherine D. Doxsee** **Wilson Sonsini Goodrich & Rosati, P.C.** **650 Page Mill Road** **Palo Alto, California 94304** **(650) 493-9300**	**Crystal Sumner** **Seth Greenstein** **Feather Foxworthy** **Winnie Ling** **Blend Labs, Inc.** **415 Kearny Street** **San Francisco, California 94108** **(650) 550-4810**	**Bradley C. Weber** **Mitzi Chang** **Julia R. White** **Goodwin Procter LLP** **601 Marshall Street** **Redwood City, California 94063** **(650) 752-3100**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		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 7(a)(2)(B) of the Securities Act. ☐

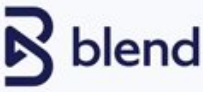
CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Class A common stock, par value $0.00001 per share	$100,000,000	$10,910

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act of 1933, as amended.
(2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase, if any.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant will file a further amendment which specifically states that this registration statement will thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement will become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.



PROSPECTUS (Subject to Completion)
Issued , 2021

Class A common Stock — Shares

This is an initial public offering of shares of Class A common stock of Blend Labs, Inc.

Prior to this offering, there has been no public market for our Class A common stock. It is currently estimated that the initial public offering price per share will be between $ and $. We intend to apply to list our Class A common stock on the New York Stock Exchange under the symbol "BLND".

We have three classes of authorized common stock, Class A common stock, Class B common stock, and Class C common stock. The rights of the holders of Class A common stock, Class B common stock, and Class C common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to 40 votes per share and is convertible at any time into one share of Class A common stock. Shares of Class C common stock have no voting rights, except as otherwise required by law, and will convert into Class A common stock, on a share-for-share basis, following the conversion or exchange of all outstanding shares of Class B common stock into shares of Class A common stock and upon the date or time specified by the holders of a majority of the outstanding shares of Class A common stock voting as a separate class. Upon the completion of this offering, no shares of Class C common stock will be issued and outstanding.

Upon the completion of this offering, all shares of Class B common stock will be held by Nima Ghamsari, Head of Blend, our co-founder, and Chair of our board of directors. Accordingly, upon completion of this offering, assuming an offering size as set forth above, the shares beneficially owned by Mr. Ghamsari will represent approximately % of the total voting power of our outstanding capital stock. As a result, Mr. Ghamsari will be able to determine or significantly influence any action requiring the approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws, and the approval of any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction.

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and may elect to do so in future filings.

See "*Risk Factors*" beginning on page 22 to read about factors you should consider before buying shares of our Class A common stock.

	Per Share	*Total*
Initial public offering price	$	$
Underwriting discount (1)	$	$
Proceeds, before expenses, to Blend Labs, Inc.	$	$

(1) See the section titled *"Underwriting"* for a description of the compensation payable to the underwriters.

To the extent that the underwriters sell more than shares of Class A common stock, the underwriters have the option to purchase up to an additional shares of Class A common stock from Blend Labs, Inc. at the initial price to the public less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York, on , 2021.

Goldman Sachs & Co. LLC | **Allen & Company LLC** | **Wells Fargo Securities**

KeyBanc Capital Markets | **Truist Securities** | **UBS Investment Bank**

Piper Sandler | **William Blair** | **Canaccord Genuity**

Prospectus dated , 2021.

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Our vision is to bring simplicity and transparency to financial services.

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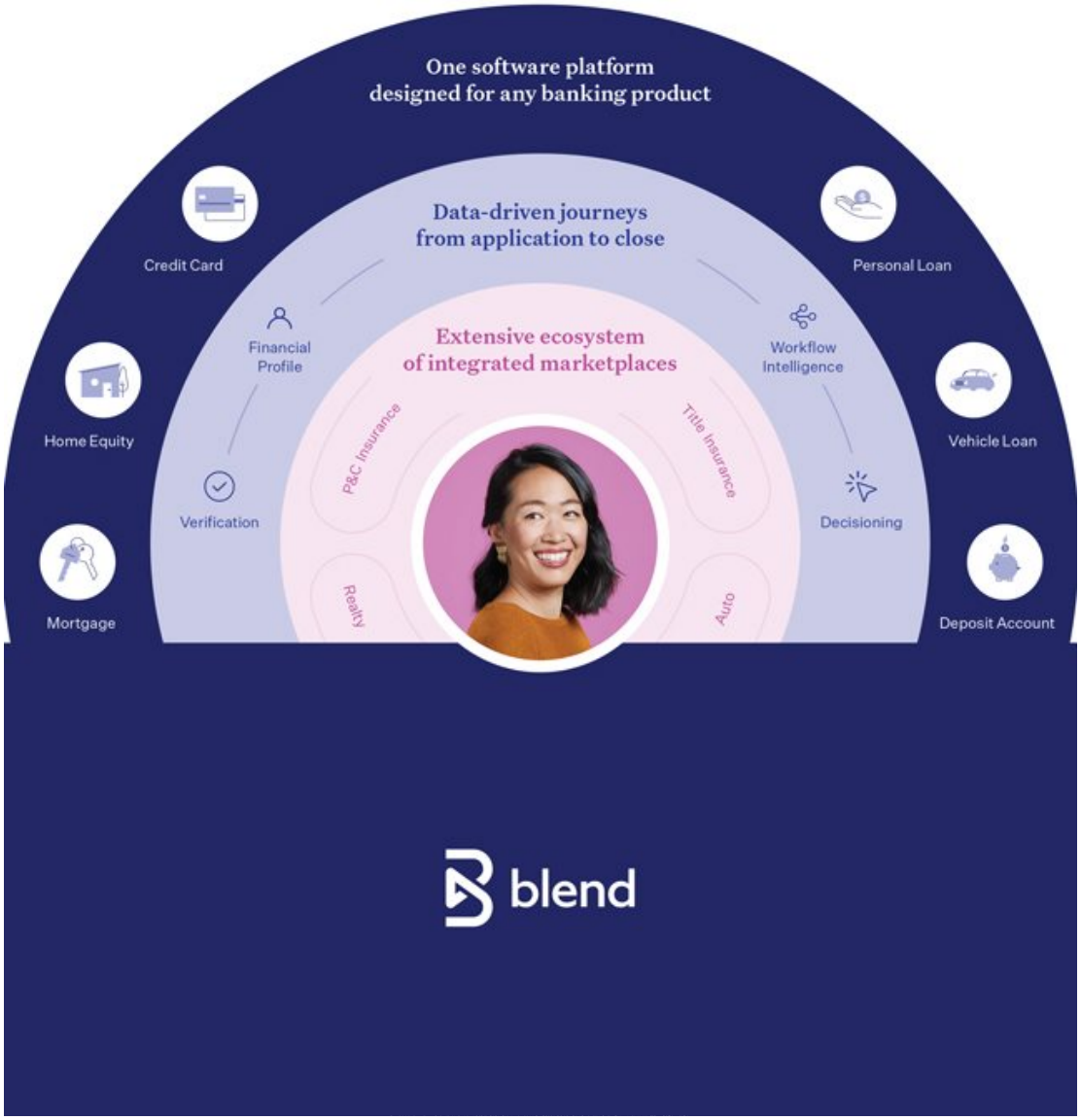
We're re-architecting banking software around the consumer.



We process more than $5B in loan volume per day on average for leading financial services firms.

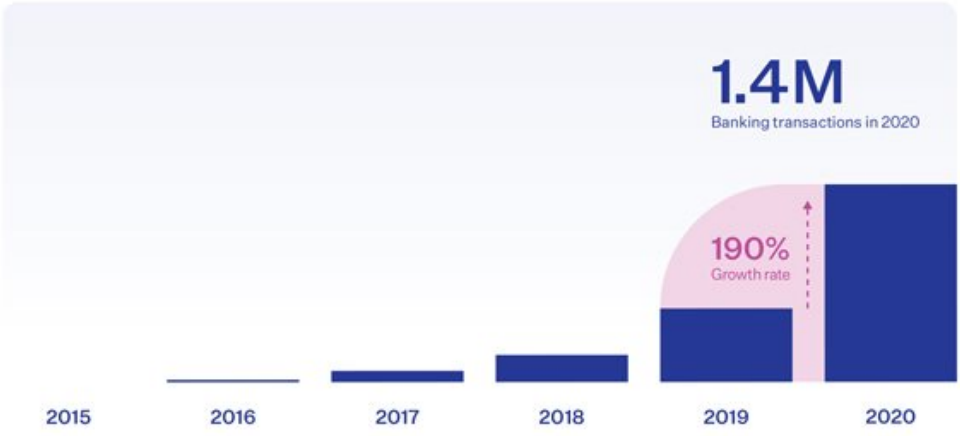
31 of the top 100

U.S. financial services firms are Blend customers*

24 of the top 100

U.S. non-bank mortgage lenders are Blend customers**

Blend Banking Transaction Volume



162%
2020 dollar-based net retention rate

98%
2020 pro forma revenue growth rate

$33B
Serviceable addressable market

$1.4T
2020 loan volume

* As of December 31, 2020; based on assets under management

** As of December 31, 2020; based on loan volume

A LETTER FROM NIMA GHAMSARI, HEAD OF BLEND AND CO-FOUNDER

Blend is a company of builders. It's our vision to bring simplicity and transparency to financial services, so everyone can gain access to the capital they need to lead better lives.

We live in a world where consumers can hail a ride with a few taps on a mobile device or complete a purchase online with a single click of a mouse, yet it still can take weeks to get a loan and require in-person visits to a branch office. Blend takes the friction out of banking. We provide cloud-based banking software to financial services firms that makes the process of getting a loan or opening a deposit account much simpler, faster, and more secure for everyone.

We believe the future of banking will look radically different from what consumers experience today. Real-time data insights will enable consumers to receive personalized, proactive offers for products and services that are designed to increase their financial wellness. Consumers will be able to glance at their mobile phone and see in an instant everything the bank can do for them, personalized to their specific financial situation. And when a consumer is ready to choose a product, they'll be able to check out in one tap.

Most financial services firms are far from this future state, burdened by legacy software infrastructure that is built around manual, paper-based approval processes, with separate technology stacks for different banking products and channels. Innovation is severely hampered by this architecture, and data silos force financial services firms to treat their customers like strangers each time they apply for a new product offering.

In 2012, my co-founders and I set out to redefine the relationship between financial services firms and their customers by creating a new generation of cloud-based banking software that could make the process of getting a loan or opening a deposit account as easy as purchasing anything else online.

We also made the decision early on to provide our software to banks, credit unions, fintechs, and non-bank mortgage lenders rather than compete with them head on. Fintechs and neobanks were already starting to emerge and gain traction. Rather than following in their footsteps, we decided to blaze our own trail by creating software every financial services firm could rely on.

We started with a small team and grew the company around a few key principles that still hold true today:

- Customers First—we measure our success by the success of the financial services firms we serve.
- 10X Better Experiences—the consumer experiences we create are an order of magnitude better.
- Relentless Self-Improvement—we always strive to be better today than we were yesterday.

From this foundation, we built a software company that now helps hundreds of financial services firms process, in aggregate, an average of more than $5 billion in transactions per day.

We build with purpose.

My family immigrated to the U.S. in the 80s. It took my parents 10 years to save enough money for a down payment on a home with enough space for me to stop sleeping on a mattress on their bedroom floor. Twenty years later, the equity in their home has become an important part of their retirement. Their bank had a huge impact on their financial wellness. By providing financial services firms with better tools to serve consumers, we strive to improve the lives of millions of people in a similar way.

We solve for the long term.

We are modernizing complex businesses, and our software has the potential to touch trillions of dollars in annual transaction volume. To succeed in the long run, we build our products in close collaboration with our customers. When faced with a choice between hitting short-term financial targets or building long-term value, we will always choose the latter.

We relentlessly focus on our customers.

We build our products with great care in order to earn the ongoing trust of our customers, who are responsible for providing essential services to more than 100 million people. Our culture has been carefully crafted to ensure we do everything in our power to help our customers succeed and bring them more value with each passing day.

Our work has just begun.

We are re-architecting banking software around the consumer. We help financial services firms win in a highly competitive market by giving them the tools to create consumer journeys in record time and respond with greater agility to new opportunities and changing market conditions. Over time, we see potential to create a next generation, future-proof architecture for banking software that helps financial services firms deliver personalized consumer experiences across every line of business. Our journey is just getting started.

Nima Ghamsari

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Through and including , 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

You should rely only on the information contained in this prospectus or contained in any free writing prospectus filed with the Securities and Exchange Commission, or the SEC. Neither we nor any of the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. Neither we nor any of the underwriters take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date, regardless of the time of delivery of this prospectus or of any sale of our Class A common stock. Our business, financial condition, results of operations, and prospects may have changed since such date.

For investors outside the United States: Neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of our Class A common stock and the distribution of this prospectus outside the United States.

PROSPECTUS SUMMARY

This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our Class A common stock. You should read this entire prospectus carefully, including the sections titled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Unaudited Pro Forma Condensed Combined Financial Information" and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Unless the context otherwise requires, the terms "Blend," "the company," "we," "us," and "our" in this prospectus refer to Blend Labs, Inc. and its consolidated subsidiaries, and references to our "common stock" include our Class A common stock, Class B common stock, and Class C common stock.

BLEND LABS, INC.

Company Overview

It's our vision to bring simplicity and transparency to financial services, so everyone can gain access to the capital they need to lead better lives. To realize this vision, we have built a market-leading cloud-based software platform for financial services firms that is designed to power the end-to-end consumer journey for any banking product. From the moment a consumer starts an application for a loan or a deposit account to the moment they digitally sign the final documents, our software platform streamlines the process, so financial services firms can deliver superior consumer experiences, drive growth, and increase operational efficiency.

Consumers expect modern banking experiences to be as simple as other online shopping experiences. However, financial services firms may not have the resources and in-house software expertise to fulfill consumer demands for intuitive, digital, and easy-to-use products. In addition, most financial services firms are burdened by antiquated, inflexible systems and use separate technology stacks for different product lines, making it difficult to drive rapid improvements. Consequently, a broad range of financial services firms including banks, credit unions, fintechs, and non-bank lenders have turned to Blend to help them accelerate their digital transformation initiatives and position themselves for future growth.

Our software platform powers the mission-critical interface between financial services firms and consumers. Our growing suite of out-of-the-box, white-label products currently powers digital-first consumer journeys for mortgages, home equity loans and lines of credit, vehicle loans, personal loans, credit cards, and deposit accounts. Each of our out-of-the-box products is built from an extensive library of modular components assembled into consumer journeys that typically include data collection, verification checks, product selection, pricing, pre-approvals, disclosures, addressing stipulations, and signing closing documents. Through our low-code, drag-and-drop design tools, we also enable the creation and deployment of new product offerings. While we currently offer products for consumer banking, we plan to extend our modular software platform over time to add support for commercial banking products. In 2020, our software platform helped financial services firms process nearly $1.4 trillion in loan applications.

We also bring together an extensive ecosystem of more than 2,200 currently active technology, data, and service providers through our software platform, enabling financial services firms to collaborate with third parties to provide best-in-class experiences to consumers. As consumers use our software platform to apply for financial services products, they can shop for realtors, insurance carriers, and other service providers through integrated marketplaces that are introduced at the precise moment these third parties are needed. As more consumers use our software platform, we are able to attract a broader range of ecosystem partners, which allows us to deliver more value to consumers and attract

more financial services firms as customers. This creates a powerful network effect and differentiator for our business. As of March 31, 2021, the number of participants in our ecosystem has grown by more than 1,300% year-over-year.[1]

Strong customer relationships are a cornerstone of our success. We establish ourselves as a critical and long-term strategic partner to our customers by powering essential revenue-generating experiences, integrating our software into back office systems, and by staffing teams chartered with increasing the value we deliver over time. Our customer relationships grow as our platform is used for a broader range of products. Customers typically complete an initial deployment for one or two products and then add more products over time, building toward a unified consumer experience that supports multi-product shopping journeys. Our dollar-based net retention rate was 162% as of December 31, 2020.

Our success-based business model is designed to align our growth with the interests of our customers. We offer our products through software-as-a-service agreements, where fees are assessed based on completed transactions, such as a funded loan, new account opening, or closing transaction. We do not charge for abandoned or rejected applications, even though they cause us to incur costs. Completed transaction fees are determined by the number and type of software platform components that are needed to support each product offering. Although we have generated an immaterial amount of revenue through commissions or service fees when consumers use our marketplaces to select a real estate agent, property and casualty insurance carrier, or title and settlement services entity in 2020, we expect this will become a significant part of our business in the future. In 2020, financial services firms used our software platform to process 1.4 million completed banking transactions, a 190% year-over-year increase relative to the 0.48 million completed banking transactions we helped our customers process in 2019.

Our customers are currently based in the United States and range in size from the largest banks, credit unions, fintechs, and non-bank mortgage lenders in the nation to smaller community lenders with less than $1 billion in assets under management. Representative customers include Wells Fargo, U.S. Bank, M&T Bank, Truist, BMO Harris Bank, Elements Financial Federal Credit Union, Mountain America Credit Union, Lennar Mortgage, PennyMac, Primary Residential Mortgage, Inc., and Opendoor.

As of December 31, 2020, we had 291 customers, including 31 of the top 100 financial services firms in the United States by assets under management and 24 of the top 100 non-bank mortgage lenders by loan volume. In 2020, 18 customers each generated more than $1 million in revenue for us, which represented 53% of our revenue in 2020.

We have achieved significant growth in recent years. For 2019 and 2020, our revenue was $50.7 million and $96.0 million, respectively, representing a 90% year-over-year growth rate. We incurred net losses of $81.5 million and $74.6 million for 2019 and 2020, respectively, as we have continued to invest in growth to capture the large market opportunity available to us.

We continually seek to enhance the end-to-end banking journeys powered by our software platform. To accelerate the adoption of innovations in our mortgage and home equity products, on March 12, 2021,

1. Ecosystem partners include technology partners, data partners, marketplace partners, and settlement services partners, and do not include customers such as banks, fintechs, neobanks, credit unions, and other non-bank mortgage lenders. Size of individual partners is not accounted for when calculating year-over-year growth.

we signed a definitive agreement to acquire Title365, a leading title insurance agency, from Mr. Cooper Group Inc. Title365 will be integrated with our software platform, which enables financial services firms to automate title commitments and streamline communication with consumers and settlement teams. Together we will enable our customers to accelerate the title, settlement, and closing process at scale for mortgages, home equity lines of credit, and home equity loans. For 2019 and 2020, Title365 revenue was $105.3 million and $212.1 million, respectively. The acquisition is subject to regulatory approvals and is expected to close in the second or third quarter of 2021.

Trends in Our Favor

Key trends supporting our growth include:

Consumer expectations for digital experiences are rising

Consumers increasingly expect their banks to provide data-driven, personalized, digital experiences. The COVID-19 pandemic has accelerated a shift in consumer behavior away from traditional branches and toward digital channels for banking services, resulting in a 30% increase in the use of mobile banking worldwide.[2] The vast majority of Millennials and Gen Z now use a mobile banking app, signifying the importance of the availability of mobile offerings to future generations.

Consumers increasingly want one-stop shopping experiences for financial services

Consumers prefer simplicity and convenience when it comes to shopping for financial services. Fifty-three percent of consumers would like to be offered bundled products, such as real estate services with a home loan or car deals with a pre-approved auto loan.[3] To retain consumers and drive incremental revenue, financial services firms need to provide end-to-end consumer journeys that include these elements.

Competition among financial services firms is becoming more intense

Fintechs, neobanks, and other innovators are launching digital-first offerings that draw consumers away from traditional financial services firms. Forty-two percent of U.S. consumers use at least one fintech provider.[4] In addition, consumers are switching financial services providers at a faster rate than previous years. Traditional financial services firms must invest in seamless, technology-driven, and consumer-friendly offerings that lead to higher consumer satisfaction in order to preserve and grow their market share.

The pace of change is accelerating

Financial services firms are increasingly seeking partners to help them manage consumer experiences with more agility as they wrestle with changes caused by fluctuating rate environments, government stimulus programs, and evolving regulatory requirements. In an effort to remain competitive, 48% of banks and 42% of credit unions have partnered with fintech startups over the past three years to

2. Boston Consulting Group, *The Front-to-Back Digital Retail Bank,* January 2021.
3. Deloitte Consulting LLP, *Deloitte 2020 Voice of the customer: Retail banking experience,* 2020.
4. McKinsey & Company, *How US customers' attitudes to fintech are shifting during the pandemic,* December 2020.

address specific technology needs.[5] Among banks planning to partner with fintechs, 86% cite that improving the consumer experience is the top priority, followed by 42% and 38% for reducing operating expenses and reducing fraud, respectively.[6]

Low-code development tools are shortening product development cycles

The advent of no-code and low-code development tools is enabling product teams to build, deploy, and modify new products and deliver superior consumer experiences with greater speed and flexibility.
Most large organizations will have adopted multiple low-code tools in some form by year-end 2021.[7] Adoption of these tools will be essential for financial services firms to innovate rapidly in the face of changing consumer expectations and fluctuating market conditions.

Better access to data is powering higher levels of automation

As banking becomes more open, financial services firms are seeking to leverage the best data in the market to improve verification of consumer assets, income, employment, identity, and credit history. In addition, financial services firms are investing in technology to help them harness this data to drive automated workflows that reduce the number of manual tasks they need to perform in order to approve an application for a loan or deposit account. The aggregate potential cost savings for financial services firms from automated workflows is estimated to be at $447 billion by 2030, with back office credit underwriting accounting for $31 billion of that total.[8] By leveraging data and software to make more informed decisions automatically, financial services firms will be able to provide a frictionless consumer experience, reduce time to close, and reduce fraud.

Our Opportunity

Financial services firms have been shifting for years to a digital-first approach to acquiring customers and deepening existing relationships. This imperative to compete through digital-first consumer experiences creates a compelling opportunity for Blend. Few financial services firms can afford to build best-in-class digital consumer journeys on their own, and those that can typically prefer to accelerate time to market by working with partners that provide flexible, off-the-shelf components. In addition, few financial services firms have built their own captive insurance agencies or developed their own service provider marketplaces to streamline the consumer journey due to the cost and complexity of managing these initiatives.

Blend competes in several large markets, including IT spend for banking software and commissions for home insurance policies, title insurance policies, and real estate transactions. We believe that our software platform can address a significant share of the massive total addressable market that these opportunities represent:

- Gartner estimates that global enterprise IT spending for software within the banking industry was approximately $72.4 billion in 2020, which is expected to grow annually at approximately 13% through 2025.
- The American Land Title Association estimates that, in the United States, more than $19.2 billion was spent on title insurance premiums in 2020.

5. Cornerstone Advisors, *What's Going On in Banking 2021, Rebounding From the Pandemic,* January 2021.
6. Forbes, *5 Bank And Fintech Partnership Ideas To Generate Revenue,* October 2020.
7. Gartner, *Forecast Analysis: Low-Code Development Technologies*, January 2021.
8. Autonomous Research, *Machine Intelligence & Augmented Finance,* April 2018.

- IBISWorld estimates that, in the United States, more than $105.7 billion was spent on home insurance premiums in 2020.
- We estimate that, in the United States, a total of $123.5 billion was spent on realtor commissions in 2020 based on data from the National Association of Realtors, EffectiveAgents.com, and the St. Louis Federal Reserve. According to the National Association of Realtors, the number of total existing-home sales in the United States for 2020 was 5.64 million and the average home sale price in 2020 was approximately $387,000, according to the St. Louis Federal Reserve. The average realtor commission rate for 2020, according to EffectiveAgents.com, was 5.656%. Our estimate of realtor commission spend for 2020 was calculated by multiplying the number of total existing-home sales by the average home sale price and then multiplying that product by the average realtor commission rate.

We currently estimate the serviceable addressable market for Blend to be greater than $33 billion, based on the number of home financing and consumer banking transactions in the United States in 2020 multiplied by our average revenue per transaction in each respective subsector in which we are currently active. These subsectors include (i) core mortgage products, such as mortgage funded loans and digital closings, (ii) homebuying ecosystem products, such as home insurance, realty, title and settlement, and notarization, and (iii) consumer banking products, such as credit cards, vehicle loans, personal loans, and deposit accounts. We first estimated the size of each market subsector in which we are currently active by compiling a comprehensive set of market size data and identifying a low and high estimate for the number of transactions per subsector. We then multiplied the revenue per transaction for each of our currently available products by the low estimate number of transactions for the applicable subsector. We then added each of these subsector estimates together to arrive at our estimate serviceable addressable market figure of greater than $33 billion. We believe the serviceable addressable market for our offerings will continue to grow over time as we add more products to our software platform, grow our partner ecosystem, and expand internationally. We believe that our software platform is well positioned to address the critical requirements of and capture a meaningful portion of these markets.

Limitations of Alternative Approaches

Consumers expect modern banking experiences to be as simple as other online shopping experiences. To thrive in an increasingly competitive market, financial services firms need to deliver personalized, high quality consumer experiences to grow revenue, while simultaneously lowering costs, so they can offer more competitive rates and invest in faster innovation cycles.

Financial services firms may not have the resources and in-house software expertise to meet rising consumer expectations. Most organizations are unable to offer consumers personalized product offerings, offers for third-party services, multi-product shopping experiences, or even the opportunity to continue applying for a single product across more than one channel. Many financial services firms find it difficult to use the customer data they have already collected to pre-populate an application form or cross-sell a product.

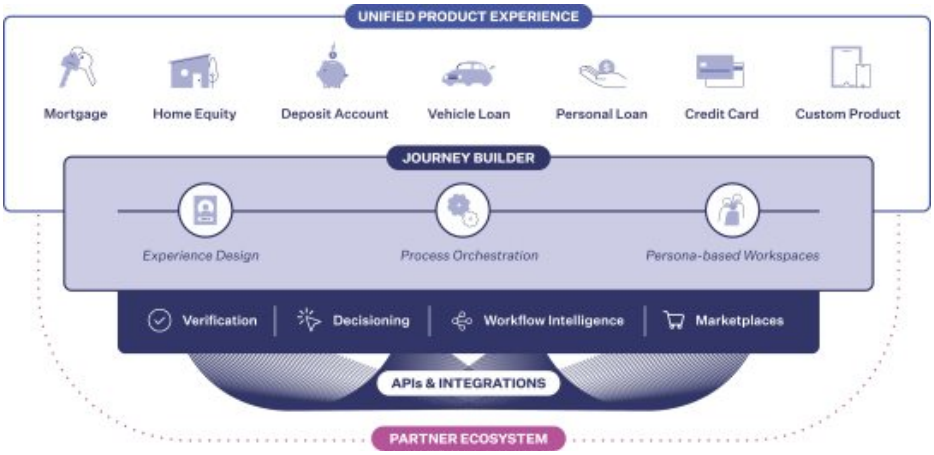
Due to the above, we believe digital transformation has never been more imperative for financial services firms. However, these efforts are often hampered by aging infrastructure. In addition, financial services firms typically use separate technology stacks for mortgages, consumer lending products, and deposit accounts, making it difficult to drive rapid improvements. This architecture is inflexible, costly to maintain, and produces data silos that result in poor consumer experiences.

Our Solutions

We have created a flexible cloud-based software platform for financial services firms that is designed to power the end-to-end consumer journey for any banking product. From the moment a consumer starts an application to the moment they close a loan or open a deposit account, our software platform streamlines the process, so financial services firms can deliver superior consumer experiences, drive growth, and increase operational efficiency.

We believe we are well positioned to benefit from the acceleration in digital transformation investment taking place across the financial services sector. Our software simplifies complex origination processes that can include hundreds of tasks and require interactions with dozens of external technology, data, and services providers. By automating these tasks and developing pre-built integrations, we help our customers potentially avoid years of expensive in-house software development and free up resources for other initiatives.

Blend's Cloud-Based Software Platform



Product Offerings

Blend's cloud-based software platform powers the mission-critical interface between financial services firms and consumers. Financial services firms can rapidly deploy our growing number of out-of-the-box, white-labeled products for:

- **Mortgage**—provides an end-to-end digital mortgage experience from application to close that puts financial services firms at the center of the broader homeownership journey.
- **Home Equity**—modernizes home equity line of credit and home equity loan origination experiences, delivering higher application submission rates and faster closings.
- **Vehicle Loan**—enables rapid financing that helps consumers get into their car, boat, RV, or powersport vehicle faster.
- **Credit Card**—increases application conversions through a configurable product selection experience, streamlined data collection, and instant approvals.
- **Personal Loan**—drives faster pre-approvals for unsecured and secured personal loans, lines of credit, and overdraft protection lines.

- **Deposit Account**—increases application conversion rates and reduces fraud risk with features that support financial services firms' Bank Secrecy Act and anti-money laundering policies.

In addition, we have developed a product called Blend Close that streamlines traditional, hybrid, and fully digital closing experiences for mortgages, home equity lines of credit, and home equity loans.

Journey Builder

Each of our products is built from an extensive library of modular components that typically include data collection, verification checks, product selection, pricing, pre-approvals, disclosures, addressing stipulations, and signing closing documents. Blend and our customers can rapidly create new product offerings by assembling our modular components into workflows using our Journey Builder, which includes tools for experience design, process orchestration, and persona-based workspaces.

The modular components that make up our products generally fall under the categories of verification, decisioning, workflow intelligence, and marketplaces.

Verification Components

Our verification components automate confirmation tasks that are needed to underwrite a loan or approve the opening of a new deposit account. We have pre-built integrations with providers of technology and services to address requirements for identity verification, asset verification, income and employment verification, and credit.

Decisioning Components

Our decisioning components reduce the need for human intervention by automatically applying business rules throughout an application workflow configured by a financial services firm. Examples include pre-approvals, cross-selling, and adverse actions.

Workflow Intelligence Components

Our workflow intelligence components manage data collection and automate tasks throughout the origination process. We create applications with branching logic to streamline initial data collection. Wherever possible, our software eliminates the need for document uploads by integrating with authoritative data sources. We also automate key processing tasks so consumers can begin to address stipulations immediately after a loan application is submitted.

Marketplace Components

Our curated marketplace components enable consumers to shop for products and services presented at the precise moment of need during an application for a loan or a deposit account. We currently offer marketplaces that enable consumers to find real estate agents, insurance carriers, and automobiles for sale online. These marketplaces help consumers quickly locate service providers with competitive rates and enable financial services firms to increase operational efficiency by providing a one-stop shopping experience. Our acquisition of Title365, once closed, will enable us to integrate the title, settlement, and escrow process further into our platform and develop a marketplace that provides consumers and financial services firms with the flexibility to choose title insurance partners that provide services at competitive rates.

APIs and Integrations

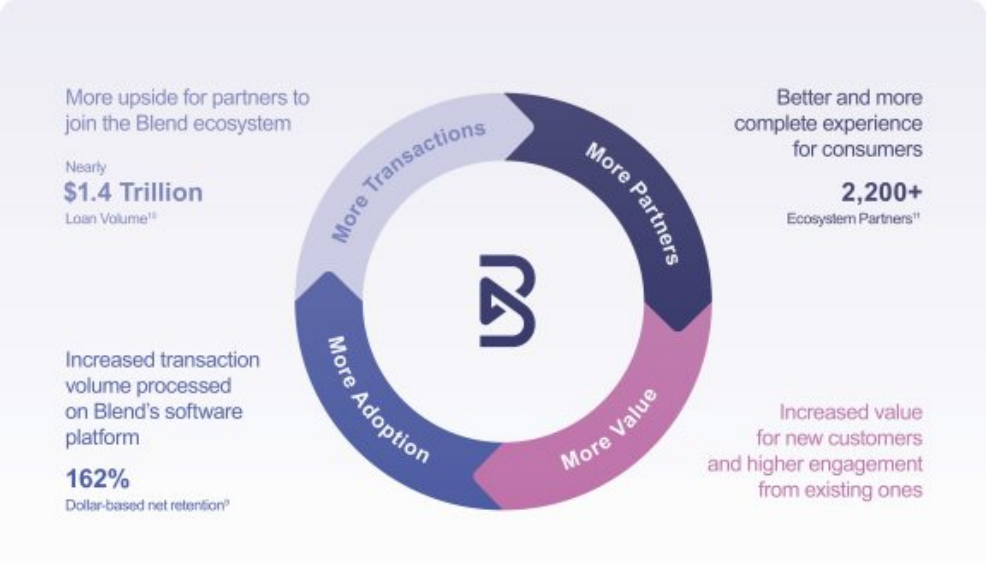
Through our open APIs we are able to seamlessly integrate the capabilities of technology, data, and service providers into our software platform. As we develop integrations with new partners, our customers can quickly experience the benefits across their product suite. In addition, financial services firms can use our APIs to develop integrations with the back office systems in their tech stack, creating a unified, agile architecture for powering superior consumer journeys.

The Blend Ecosystem

We bring together an extensive partner ecosystem through our software platform, consisting of more than 2,200 currently active technology, data, and service providers that has grown by more than 1,300% year-over-year as of March 31, 2021. We provide the central hub through which these partners collaborate to deliver best-in-class consumer journeys in highly efficient ways. In addition, we provide our ecosystem partners with a critical distribution channel to reach consumers at the precise moment they are looking for products and services through the financial services firms we serve.

By providing the software that powers consumer journeys at financial services firms across digital, contact center, and branch channels, we are able to benefit from a substantial volume of high-intent consumer traffic with no incremental acquisition costs. As more financial services firms become Blend customers or deploy additional products through our software platform, the number of consumers using our software platform grows, which attracts more service providers to our ecosystem to serve those consumers. As a result, consumers benefit from more opportunities to save time and money, financial services firms benefit from increased operational efficiency, our partners benefit from increased distribution, and Blend generates additional revenue. We believe this win-win-win-win model creates a powerful network effect that will continue to expand our serviceable addressable market over time.

Our Partner Ecosystem and Network Effect



Key elements of our partner ecosystem include (i) more than 45 technology partners, (ii) 29 data partners, (iii) more than 1,200 marketplace partners, and (iv) more than 900 settlement services partners.

To provide consumers with optimal end-to-end journeys through our software platform, we have created our own property and casualty insurance agency and our own title insurance agency. Consistent with this strategy, on March 12, 2021 we signed a definitive agreement to acquire Title365, a leading title insurance agency, from Mr. Cooper Group Inc. Title365 will be integrated with our platform, which enables financial services firms to automate title commitments and streamline communication with consumers and settlement teams. Title365 will also expand our partner ecosystem through its network of more than 7,000 notaries.

Key Benefits to Our Customers

We help our customers increase their revenue by powering best-in-class customer experiences that result in:

- Increased consumer acquisition
- Deeper consumer relationships
- Increased consumer satisfaction

We also position our customers for long-term success by helping them streamline operations and increase efficiency through:

- Faster innovation cycles
- Lower operating costs
- Lower development costs
- Reduced risk of fraud and human errors

Ultimately, it is our goal to help banks, credit unions, fintechs, and non-bank lenders proactively improve financial opportunities for consumers. By removing friction, increasing transparency, and bringing greater personalization to consumer acquisition workflows, we see the potential for our software platform to help financial services firms improve the lives of millions of consumers.

What Sets Us Apart

We have already achieved significant growth, and we believe we are well positioned to serve as a long-term strategic innovation partner and provider of mission-critical software to financial services firms due to the following factors:

- **Single software platform designed for any banking product**—as a leading cloud-based software provider that streamlines the end-to-end consumer journey for mortgages, consumer loans, and deposit accounts through a single, unified software platform, we are a trailblazer with powerful competitive advantages. We support multi-product shopping experiences and enable consumers to move seamlessly across digital devices, contact centers, and branches

9. As of December 31, 2020.
10. As of December 31, 2020.
11. As of March 31, 2021.

throughout the origination process, providing additional benefits and incentives for customers to standardize on our software platform across products and channels. Since 2015, we have invested more than $165 million in research and development to build our software platform and grow our business. We believe the time, cost, and effort to replicate the breadth of our products and depth of our capabilities is difficult for others to match.

- **Configurable software platform for accelerating innovation—**we enable financial services firms to rapidly build and launch new product offerings by leveraging our low-code design tools and an extensive library of modular components purpose-built for loan origination, account opening, and consumer onboarding. Through our software platform, we deliver product updates on a weekly basis. Our products are highly complex and require us to have advanced knowledge of modern software development techniques as well as deep industry expertise, including in-depth knowledge of financial services regulations, product offerings, and operational workflows for approving loans and opening accounts.
- **Expansive partner ecosystem**—through our integrations and marketplaces we enable more than 2,200 currently active technology, data, and service providers to collaborate through our software platform and provide superior consumer experiences. The scale of our partner ecosystem has grown by more than 1,300% year-over-year as of March 31, 2021, and we have signed a definitive agreement to acquire Title365, which will further add more than 7,000 notaries. By aggregating transaction volume across multiple financial services firms, we are able to negotiate competitive rates for technology and data services we bundle into our products. We believe it would take competitors substantial time, effort, and cost to replicate the scale and benefits of our rapidly growing partner ecosystem.
- **Powerful network effects**—by providing the software that powers consumer journeys at financial services firms across digital, contact center, and branch channels, we are able to benefit from a substantial volume of high-intent consumer traffic with zero incremental consumer acquisition costs. As more consumers use our software platform to apply for financial services products, we attract more partners to our ecosystem. This allows us to deliver more value to consumers, attract more financial services firms as customers, expand our existing relationships with financial services firms, and generate increased revenue from completed transactions, creating a powerful network effect and differentiator for our business. Our aim is to become the distribution platform of choice for technology, data, and service providers to efficiently reach and serve consumers undertaking major financial transactions.
- **Agency subsidiaries and licensing**—we created our own property and casualty insurance agency with licensing in all 50 states to facilitate transactions in our home insurance marketplace, and we have signed a definitive agreement to acquire Title365, one of the largest title insurance agencies in the United States, with licenses and partnerships covering all 50 states in order to deliver the benefits of our software platform to financial services firms at greater scale. We believe the complexity, cost, and level of effort to duplicate this operational scale is difficult for others to replicate.
- **Extensive network of customers**—we have become a supplier of mission-critical software to hundreds of financial services firms, including 31 of the top 100 financial services firms in the United States by assets under management and 24 of the top 100 non-bank mortgage lenders by loan volume, and we have a proven track record of delivering our products securely, at scale, and in a way that meets their demanding needs. Once deployed, we become deeply embedded in business processes and integrated with back office systems, which makes us difficult to replace. This gives us a strong vantage point to be able to cross-sell additional offerings to our customers. In addition, the scale and diversity of our customer

base provides us with extensive data and deep insights that help us strengthen our software platform, enhancing our ability to serve existing and future customers.

Our Growth Strategies

We intend to continue driving growth through the following strategies, while always maintaining a laser focus on the success of our customers:

- Increase the volume of banking transactions we power for our customers
- Continue to invest in new product offerings
- Integrate more marketplaces into our end-to-end consumer journeys

Risk Factors Summary

Our business is subject to numerous risks and uncertainties, including, but not limited to, those highlighted in the section titled "*Risk Factors*" and summarized below. We have various categories of risks, including risks related to our business and operations; risks relating to our legal and regulatory environment; risks related to our dependence on third parties; risks related to our intellectual property; and risks related to this offering and ownership of our Class A common stock, which are discussed more fully in the section titled "*Risk Factors*." As a result, this risk factor summary does not contain all of the information that may be important to you, and you should read this risk factor summary together with the more detailed discussion of risks and uncertainties set forth in the section titled "*Risk Factors*." Additional risks, beyond those summarized below or discussed elsewhere in this prospectus, may apply to our business, activities, or operations as currently conducted or as we may conduct them in the future or in the markets in which we operate or may in the future operate.

- We have experienced rapid growth in recent periods, and we do not expect to grow at these historical rates in future periods;
- We have a history of net losses, and we may not be able to achieve or maintain profitability in the future;
- If we fail to retain our existing customers or to acquire new customers in a cost-effective manner, or if our customers fail to maintain their utilization of our products and services, our revenue may decrease and our business, financial condition, and results of operations could be adversely affected;
- A large percentage of our revenue is concentrated with a small number of key customers, and if our relationships with any of these key customers were to be terminated or the level of business with them significantly reduced over time, our business, financial condition, results of operations, and future prospects would be adversely affected;
- We face intense competition, and if we are unable to compete effectively, our business, financial condition, and results of operations could be adversely affected;
- We have a limited operating history in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful;
- We expect to experience significant growth through strategic acquisitions and partnerships, including our acquisition of Title365, and we face risks related to the integration of such acquisitions and the management of such growth;

- Changes in market interest rates could adversely affect our business, financial condition, and results of operations;
- Our results of operations are likely to fluctuate from period to period, which could cause the market price of our Class A common stock to decline;
- A cybersecurity incident affecting us or the third parties we rely on or partner with could expose us or our customers and consumers to a risk of loss or misuse of confidential information and significantly damage our reputation;
- We may be subject to claims, lawsuits, government investigations, and other proceedings that may adversely affect our business, financial condition, and results of operations;
- Our customers are, and in some cases we are or may be, subject to, and we facilitate compliance with, a variety of federal, state, and local laws, including those related to consumer protection and financial services;
- The pending acquisition of Title365 may not be completed on the anticipated timeline, or at all, and the failure to complete the pending acquisition of Title365 could adversely affect our business, financial condition, results of operations, and the market price of our Class A common stock;
- We depend on the interoperability of our platform across third-party applications and services that we do not control;
- Failure to adequately protect our intellectual property could adversely affect our business, financial condition, and results of operations;
- The trading price of our Class A common stock may be volatile, and you could lose all or part of your investment; and
- The multi-class structure of our common stock will have the effect of concentrating voting power with Nima Ghamsari, Head of Blend, Co-Founder, and Chair of our board of directors, which will severely limit your ability to influence or direct the outcome of matters submitted to our stockholders for approval, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws, and the approval of any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction.

Our Capital Structure

Upon the completion of this offering, we will have three classes of common stock. Our Class A common stock, which is the stock we are offering by means of this prospectus, has one vote per share, our Class B common stock has 40 votes per share, and our Class C common stock has no voting rights, except as otherwise required by law.

Upon the completion of this offering, all issued and outstanding shares of Class B common stock will be held by Nima Ghamsari, Head of Blend, our co-founder, or Co-Founder, and Chair of our board of directors. Accordingly, upon completion of this offering, Mr. Ghamsari will hold approximately % of the total voting power of our outstanding capital stock, which voting power may increase over time as Mr. Ghamsari exercises equity awards outstanding at the time of the completion of this offering and exchanges them for Class B common stock pursuant to the terms of the equity exchange right agreement we have entered into with Mr. Ghamsari. If all such equity awards held by Mr. Ghamsari had been exercised for cash and exchanged for shares of Class B common stock as of the date of the completion of this offering, Mr. Ghamsari would hold approximately % of the voting

power of our outstanding capital stock. As a result of our capital structure, Mr. Ghamsari will be able to determine or significantly influence any action requiring the approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws, and the approval of any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction.

Shares of our Class C common stock, which entitle the holder to zero votes per share, will not be issued and outstanding upon completion of this offering, and we have no current plans to issue shares of our Class C common stock. These shares will be available to be used in the future to further strategic initiatives, such as financings or acquisitions, or issue future equity awards to our service providers. Because the shares of Class C common stock have no voting rights (except as otherwise required by law), the issuance of such shares will not result in further dilution to the voting power held by Mr. Ghamsari. Further, one of the events that will result in the final conversion of all of the outstanding shares of Class B common stock is the date fixed by our board of directors that is no less than 61 days and no more than 180 days following the first date following the completion of this offering on which the number of shares of our capital stock, including Class A common stock, Class B common stock, and Class C common stock, and any shares of capital stock underlying equity securities or other convertible instruments, held by Mr. Ghamsari and his affiliates is less than 35% of the number of shares of the Class B common stock held by Mr. Ghamsari and his affiliates as of immediately prior to the completion of this offering, which we sometimes refer to herein as the 35% Ownership Threshold. Because shares of Class C common stock will be counted when determining whether the 35% Ownership Threshold has been met, the issuance of shares of Class C common stock to Mr. Ghamsari could prolong the duration of Mr. Ghamsari's control of our voting power and his ability to elect all of our directors and to determine the outcome of most matters submitted to a vote of our stockholders by delaying the final conversion of the Class B common stock.

The multi-class structure of our common stock is intended to ensure that, for the foreseeable future, Mr. Ghamsari continues to control or significantly influence our governance, which we believe will permit us to continue to prioritize our long-term goals rather than short-term results, to enhance the likelihood of stability in the composition of our board of directors and its policies, and to discourage certain types of transactions that may involve an actual or threatened acquisition of our company. This multi-class structure is intended to preserve this control until Mr. Ghamsari departs our company, the 35% Ownership Threshold is no longer met, or 50 years following the closing of this offering.

Channels for Disclosure of Information

Investors, the media and others should note that, following the completion of this offering, we intend to announce material information to the public through filings with the SEC, the investor relations page on our website, press releases, public conference calls, webcasts, and our corporate blog at blend.com/blog.

The information disclosed by the foregoing channels could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels.

Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations page on our website.

Corporate Information

We were incorporated under the laws of the state of Delaware in April 2012. Our principal executive offices are located at 415 Kearny Street, San Francisco, California 94108, and our telephone number is (650) 550-4810. Our website address is www.blend.com. Information contained on, or that can be accessed through, our website does not constitute part of this prospectus and inclusions of our website address in this prospectus are inactive textual references only. You should not consider information contained on our website to be part of this prospectus or in deciding whether to purchase shares of our Class A common stock.

"Blend," our logo, and our other registered or common law trademarks, service marks, or trade names appearing in this prospectus are the property of Blend Labs, Inc. Other trademarks and trade names referred to in this prospectus are the property of their respective owners.

JOBS Act

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting requirements that are otherwise applicable generally to public companies. These reduced reporting requirements include:

- the requirement to present only two years of audited financial statements and only two years of related management's discussion and analysis in this prospectus;
- an exemption from compliance with the auditor attestation requirement on the effectiveness of our internal control over financial reporting;
- reduced disclosure about our executive compensation arrangements; and
- an exemption from the requirements to obtain a non-binding advisory vote on executive compensation or stockholder approval of any golden parachute arrangements.

We intend to take advantage of these provisions until we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest to occur of: (i) the last day of the fiscal year in which we have more than $1.07 billion in annual revenue; (ii) the date we qualify as a large accelerated filer, with at least $700 million of equity securities held by non-affiliates; (iii) the date on which we have, in any three-year period, issued more than $1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year ending after the fifth anniversary of this offering. We may choose to take advantage of some but not all of these reduced reporting burdens. We have taken advantage of certain reduced reporting burdens in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

The JOBS Act permits an emerging growth company like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We intend to use this extended transition period until we are no longer an emerging growth company or until we affirmatively and irrevocably opt out of the extended transition period. As a result, our consolidated financial statements may not be comparable to the financial statements of companies that comply with new or revised accounting pronouncements as of public company effective dates.

See the section titled "*Risk Factors—Risks Related to this Offering and Ownership of Our Class A Common Stock—We are an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our Class A common stock less attractive to investors*."

THE OFFERING	
Class A common stock offered by us	shares
Class A common stock to be outstanding after this offering	shares
Class B common stock to be outstanding after this offering	shares
Class C common stock to be outstanding after this offering	None
Class A, Class B, and Class C common stock to be outstanding after this offering	shares
Option to purchase additional shares of Class A common stock from us	shares
Use of proceeds	We estimate that the net proceeds to us from the sale of shares of our common stock in this offering will be approximately $ million (or approximately $ million if the underwriters' option to purchase additional shares of our Class A common stock from us is exercised in full), based upon the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our Class A common stock, and enable access to the public equity markets for us and our stockholders. We intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses, and capital expenditures. Additionally, we may use a portion of the net proceeds we receive from this offering to acquire or invest in businesses, products, services, or technologies. However, other than our pending acquisition of Title365, we do not have agreements or commitments for any material acquisitions or investments at this time. See the section titled "*Use of Proceeds*" for additional information.
Voting rights	Shares of our Class A common stock are entitled to one vote per share.

	Shares of our Class B common stock are entitled to 40 votes per share. Shares of our Class C common stock have no voting rights, except as otherwise required by law. Holders of our Class A common stock and Class B common stock will generally vote together as a single class, unless otherwise required by law or our amended and restated certificate of incorporation. Upon the completion of this offering, Nima Ghamsari, Head of Blend, Co-Founder, and Chair of our board of directors, will hold approximately % of the total voting power of our outstanding capital stock, which voting power may increase over time as Mr. Ghamsari exercises equity awards outstanding at the time of the completion of this offering pursuant to an equity exchange right agreement between us and Mr. Ghamsari. If all such equity awards held by Mr. Ghamsari (including the Founder and Head of Blend Long-Term Performance Award referenced below) had been exercised for cash and exchanged for shares of Class B common stock as of the date of the completion of this offering, Mr. Ghamsari would hold approximately % of the voting power of our outstanding capital stock. As a result, Mr. Ghamsari will be able to determine or significantly influence any action requiring the approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws, and the approval of any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction. Additionally, our executive officers, directors, and holders of 5% or more of our capital stock will hold, in the aggregate, approximately % of the voting power of our outstanding capital stock following this offering. See the sections titled "*Principal Stockholders*" and "*Description of Capital Stock*" for additional information.
Proposed New York Stock Exchange trading symbol	"BLND"

The number of shares of our Class A common stock, Class B common stock, and Class C common stock that will be outstanding after this offering is based on 566,032,624 shares of our Class A common stock, 32,750,000 shares of our Class B common stock, and no shares of our Class C common stock outstanding as of March 31, 2021, and reflects:

- 440,617,888 shares of our convertible preferred stock that will automatically convert into 440,617,888 shares of our Class A common stock immediately prior to the completion of this offering pursuant to the terms of our amended and restated certificate of incorporation, or the Capital Stock Conversion;
- 125,414,736 shares of our Class A common stock outstanding, which number of shares excludes the shares being exchanged in the Class B Stock Exchange described below; and

- 32,750,000 shares of our Class B common stock, which reflects shares of our Class A common stock beneficially owned by Mr. Ghamsari as of March 31, 2021 that will be exchanged for an equivalent number of shares of our Class B common stock immediately prior to the completion of this offering pursuant to the terms of an exchange agreement, or the Class B Stock Exchange.

The shares of our Class A common stock and Class B common stock outstanding as of March 31, 2021 exclude the following:

- 104,150,853 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock outstanding as of March 31, 2021, with a weighted average exercise price of $1.01 per share;
- 78,171,543 shares of our Class A common stock issuable upon the exercise of an option to purchase shares of our Class A common stock outstanding as of March 31, 2021, with an exercise price of $2.86 per share, granted to Mr. Ghamsari, and that vest upon the satisfaction of a liquidity event-related performance condition, a service condition, and/or a performance-based market condition, or the Founder and Head of Blend Long-Term Performance Award;
- 13,096,200 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock granted after March 31, 2021 through June 21, 2021, with a weighted average exercise price of $4.67 per share;
- 3,809,758 shares of our Class A common stock issuable upon the exercise of warrants to purchase shares of our convertible preferred stock outstanding as of March 31, 2021, with a weighted average exercise price of $1.31 per share, which would result in the issuance of 3,809,758 shares of our Class A common stock in connection with the Capital Stock Conversion and this offering; and
- shares of our Class A common stock reserved for future issuance under our equity compensation plans, consisting of:
  - shares of our Class A common stock to be reserved for future issuance under our 2021 Equity Incentive Plan, or our 2021 Plan, which will become effective prior to the completion of this offering; and
  - shares of our Class A common stock reserved for future issuance under our 2012 Stock Plan, or our 2012 Plan, which number of shares will be added to the shares of our Class A common stock to be reserved for future issuance under our 2021 Plan upon its effectiveness, at which time we will cease granting awards under our 2012 Plan.

Our 2021 Plan provides for annual automatic increases in the number of shares of our Class A common stock reserved thereunder, and also provides for increases to the number of shares that may be granted thereunder based on any shares of our Class A common stock granted pursuant to awards under our 2012 Plan that expire, are tendered to or withheld by us for payment of an exercise price or for satisfying tax withholding obligations, or are forfeited or otherwise repurchased by us, as more fully described in the section titled "*Executive Compensation—Employee Benefit and Stock Plans*."

Following the completion of this offering, and pursuant to an equity exchange right agreement to be entered into between us and Mr. Ghamsari, or the Equity Award Exchange Agreement, Mr. Ghamsari shall have a right (but not an obligation) to require us to exchange any shares of Class A common stock received upon the exercise of options to purchase shares of Class A common stock for an

equivalent number of shares of Class B common stock. We refer to this right as the Equity Award Exchange. The Equity Award Exchange applies only to equity awards granted to Mr. Ghamsari prior to the effectiveness of the filing of our amended and restated certificate of incorporation in connection with this offering. As of March 31, 2021, there were 93,760,955 shares of our Class A common stock subject to options held by Mr. Ghamsari, including shares subject to the Founder and Head of Blend Long-Term Performance Award, that may be exchanged, upon exercise, for an equivalent number of shares of our Class B common stock following this offering.

Except as otherwise indicated, all information in this prospectus assumes:

- the Capital Stock Conversion will occur immediately prior to the completion of this offering;
- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the effectiveness of our amended and restated bylaws, will each occur immediately prior to the completion of this offering and will effect the reclassification of our Class B common stock into Class A common stock, or the Reclassification;
- the Class B Stock Exchange will occur immediately prior to the completion of this offering;
- no exercise of outstanding stock options or warrants subsequent to March 31, 2021; and
- no exercise by the underwriters of their option to purchase up to an additional shares of our Class A common stock from us.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables summarize our consolidated financial and other data. We have derived the summary consolidated statements of operations data for 2019 and 2020 from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the summary consolidated statements of operations data for the three months ended March 31, 2020 and 2021 and the consolidated balance sheet data as of March 31, 2021 from our unaudited interim consolidated financial statements that are included elsewhere in this prospectus. We have prepared the unaudited interim consolidated financial statements on the same basis as the audited consolidated financial statements and have included all adjustments, consisting only of normal recurring adjustments that, in management's opinion, are necessary to state fairly the information set forth in those consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected in the future and our results for the three months ended March 31, 2021 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2021 or any other period. You should read the following summary consolidated financial data and other data below in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Unaudited Pro Forma Condensed Combined Financial Information*" and our consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
Consolidated Statements of Operations Data:	(In thousands, except per share data)			
Revenue	$ 50,671	$ 96,029	$ 15,603	$ 31,875
Cost of revenue(1)	19,547	34,289	7,358	10,860
Gross profit	31,124	61,740	8,245	21,015
Operating expenses:				
Research and development(1)	48,597	55,503	11,821	17,074
Sales and marketing(1)	37,660	51,420	13,430	15,865
General and administrative(1)	26,589	30,108	6,078	15,283
Total operating expenses	112,846	137,031	31,329	48,222
Loss from operations	(81,722)	(75,291)	(23,084)	(27,207)
Other income (expense), net	283	700	240	150
Loss before income taxes	(81,439)	(74,591)	(22,844)	(27,057)
Provision for income taxes	13	26	7	10
Net loss	$ (81,452)	$ (74,617)	$ (22,851)	$ (27,067)
Basic and diluted net loss per share:				
Net loss per share attributable to common stockholders, basic and diluted(2)	$ (0.83)	$ (0.63)	$ (0.21)	$ (0.20)
Weighted average shares used in computing net loss per share attributable to common stockholders, basic and diluted(2)	98,329	118,221	110,481	135,271

(1) Includes stock-based compensation as follows:

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
			(In thousands)	
Cost of revenue	$ 46	$ 79	$ 19	$ 58
Research and development	3,431	4,250	757	1,386
Sales and marketing	966	3,675	1,791	1,373
General and administrative	5,446	2,120	672	1,199
Total stock-based compensation	$ 9,889	$ 10,124	$ 3,239	$ 4,016

(2) See Note 15 to our consolidated financial statements for an explanation of the calculations of our basic and diluted net loss per share attributable to common stockholders and the weighted average number of shares used in the computation of the per share amounts.

	As of March 31, 2021		
	Actual	Pro forma(1)	Pro forma as adjusted(2)
Consolidated Balance Sheet Data:		(In thousands)	
Cash, cash equivalents, and marketable securities	$ 453,151	$ 254,597	$
Working capital(3)	447,112	269,159	
Total assets	519,798	849,334	
Total liabilities	57,335	293,856	
Convertible preferred stock	702,940	—	
Accumulated deficit	(299,919)	(283,337)	
Total stockholders' equity	462,463	509,096	

(1) The pro forma column above reflects the transactions described in the section titled "*Unaudited Pro Forma Condensed Combined Financial Information*," including (i) the borrowing of an aggregate of $225.0 million under a senior secured first-lien term loan facility, or the Term Loan, and $25.0 million senior secured first-lien revolving credit facility, or the Revolving Credit Facility, in connection with our acquisition of Title365, (ii) the issuance of a warrant to purchase up to 1,795,294 shares of our Series G Preferred Stock in connection with such borrowing, (iii) our probable acquisition of Title365, (iv) the Capital Stock Conversion, (v) the filing and effectiveness of our amended and restated certificate of incorporation that will become effective immediately prior to the completion of this offering, in each case, as if such transactions had occurred on March 31, 2021, and (vi) an increase to additional paid-in capital and accumulated deficit related to stock-based compensation expense of approximately $23.0 million associated with the satisfaction of the liquidity event-related performance vesting condition of certain stock options granted to the Head of Blend.

(2) The pro forma as adjusted column above gives effect to (i) the pro forma adjustments set forth above, (ii) the sale and issuance by us of shares of Class A common stock in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and (iii) application of the proceeds therefrom as described in "*Use of Proceeds*" as if they had occurred on March 31, 2021. Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, each of our cash, cash equivalents, and marketable securities, total assets, working capital, and total stockholders' equity by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of our Class A common stock offered by us would increase or decrease, as applicable, each of our cash, cash equivalents, and marketable securities, total assets, working capital, and total stockholders' equity by $ million, assuming an initial

public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions payable by us. The pro forma information in the consolidated balance sheet data above is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the relevant transactions had been consummated on the date indicated and will change based on the actual initial public offering price and other terms of this offering determined at pricing.

(3) Working capital is defined as current assets less current liabilities.

RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Condensed Combined Financial Information," and our consolidated financial statements and related notes, before making a decision to invest in our Class A common stock. Our business, financial condition, results of operations, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. If any of the risks actually occur, our business, financial condition, results of operations, and prospects could be adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Business and Operations

We have experienced rapid growth in recent periods, and we do not expect to grow at these historical rates in future periods.

We have grown rapidly over the last several years, and therefore our recent revenue growth rate and financial performance should not be considered indicative of our future performance. In 2019 and 2020, our revenue was $50.7 million and $96.0 million, respectively, representing a 90% year-over-year growth rate. We expect our revenue growth rate to decline in future periods. We believe that growth of our revenue depends on a number of factors, including our ability to price our products and services effectively so that we are able to attract and retain customers without compromising our profitability, attract new customers, increase our existing customers' use of our solutions, provide our customers with excellent support, and successfully identify and acquire or invest in businesses, products, or technology that we believe could complement or expand our solutions.

You should not rely on our revenue or key business metrics for any previous quarterly or annual period as any indication of our revenue, revenue growth, key business metrics, or key business metrics growth in future periods. In particular, our revenue growth rate has fluctuated in prior periods. We expect our revenue growth rate to continue to fluctuate over the short term and decline in the long term. Our revenue growth rate may decline in future periods as the size of our business grows and as we achieve higher market adoption rates. Our revenue growth may slow or revenue may decline for a number of other possible reasons, including reduced demand for our products and services, insufficient growth in the number of financial services firms that utilize our products and services or the lack of expansion of products and services within our existing customer base, transaction volume and mix, particularly with our significant customers, increased competition, a decrease in the growth or reduction in size of our overall market or if we fail for any reason to capitalize on growth opportunities, general economic conditions, and the maturation of our business, among others. We also expect to continue to make investments in the development and expansion of our business, which may not result in increased revenue or growth. If our revenue growth rate declines, investors' perceptions of our business and the trading price of our Class A common stock could be adversely affected.

We have a history of net losses, and we may not be able to achieve or maintain profitability in the future.

We have incurred net losses in each period since our inception in 2012, and we may not be able to achieve or maintain profitability in the future. We incurred a net loss of $74.6 million and $27.1 million in 2020 and the three months ended March 31, 2021, respectively, and as of December 31, 2020 and March 31, 2021, we had an accumulated deficit of $272.9 million and $299.9 million, respectively. We expect our costs will increase over time and our losses to continue as we expect to invest significant

additional funds towards growing our business and operating as a public company. We have expended and expect to continue to expend substantial financial and other resources on product development, including investments in our product, engineering, and design teams and the development of new products and new functionality for our existing products and our platform; our technology infrastructure, including systems architecture, management tools, scalability, availability, performance, and security, as well as disaster recovery measures; our sales, marketing, and customer success organizations; acquisitions or strategic investments; and general administration, including legal and accounting expenses. These efforts may be more costly than we expect and may not result in increased revenue or growth in our business. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from achieving or maintaining profitability or positive cash flows on a consistent basis. If we are unable to successfully address these risks and challenges as we encounter them, our business, financial condition, and results of operations could be adversely affected.

If we fail to retain our existing customers or to acquire new customers in a cost-effective manner, or if our customers fail to maintain their utilization of our products and services, our revenue may decrease and our business, financial condition, and results of operations could be adversely affected.

Our ability to continue our growth in the future will depend in part on our success in maintaining successful relationships with our customers. If any of our customers were to suspend, limit, or cease their operations or otherwise terminate their relationships with us, the number of transactions enabled through our platform could decrease and our revenue and revenue growth rates could be adversely affected. In addition, having a diversified mix of customers is important to mitigate risk associated with changing consumer spending behavior, economic conditions, and other factors that may affect a particular type of financial services firm or industry. While we expect that the revenue from our largest customers will decrease over time as a percentage of our total revenue as we generate more revenue from other customers, we also believe that revenue from our largest customers may continue to account for a significant portion of our revenue, at least in the near term.

If we are not able to retain our existing customers or acquire new customers in a cost-effective manner, or if our customers fail to maintain their utilization of our products and services, we will not be able to continue to grow our business. Our ability to retain and grow our relationships with our customers depends on the willingness of customers to partner with us. The attractiveness of our platform to customers depends upon, among other things: our brand and reputation, the amount of fees that we charge, our ability to sustain our value proposition to our customers, products and services offered by competitors, and our ability to perform under, and maintain, our customer agreements. Many of our customers do not have long-term contractual financial commitments to us and, therefore, many of our customers may reduce or cease their use of our products and services at any time without penalty or termination charges. Additionally, a subset of our customers can generally terminate their agreements with us without cause with limited requirements to provide prior notice. Our customers could decide to stop working with us and cease processing transactions through our platform or enter into exclusive or more favorable relationships with our competitors. Further, any downturn in the financial services industry may cause our customers to reduce their spending on lending technology or to seek to terminate or renegotiate their agreements with us. Our customers have no obligation to renew their subscriptions with us after the expiration of the initial or current subscription term, and our customers, if they choose to renew at all, may renew on pricing or other contract terms that are less favorable to us or otherwise ask to modify their agreement terms in a manner that is cost prohibitive to us. Our renewal rates may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our pricing or our products or their ability to continue their operations or spending levels. In addition, our customers' regulators may require that they terminate or otherwise limit their business with us, or impose regulatory pressure limiting their ability to do business with us. If any of our customers were to stop working with us, suspend, limit, or cease their operations, do not renew their

subscriptions with us on similar pricing terms, or otherwise terminate their relationships with us, the number of loans and other transactions enabled through our platform could decrease and our revenue and revenue growth rates could be adversely affected.

Additionally, as the markets for our cloud-based banking software continue to develop, we may be unable to attract new customers based on the same pricing models that we have used historically. Large or influential financial services firms may demand more favorable pricing or other contract terms from us. As a result, we may in the future be required to change our pricing model, reduce our prices, or accept other unfavorable contract terms, any of which could adversely affect our revenue and revenue growth rate.

We could in the future have disagreements or disputes with any of our customers, which could negatively impact or threaten our relationship with them. In our agreements with customers, we make certain representations and warranties and covenants concerning our compliance with certain procedures and guidelines related to laws and regulations applicable to the services to be provided by us to our customers. If those representations and warranties were not accurate when made or if we fail to perform a covenant, we may be liable for any resulting damages, including potentially any losses associated with impacted transactions, and our reputation and ability to continue to attract new customers could be adversely affected. Additionally, our customers may engage in mergers, acquisitions or consolidations with each other, our competitors or with third parties, any of which could be disruptive to our existing and prospective relationships with our customers.

If we fail to retain any of our larger customers or a substantial number of our smaller customers, if we do not acquire new customers, if we do not continually expand revenue and volume from customers on our platform, or if we do not attract and retain a diverse mix of customers, our business, financial condition, results of operations, and future prospects could be adversely affected.

A large percentage of our revenue is concentrated with a small number of key customers, and if our relationships with any of these key customers were to be terminated or the level of business with them significantly reduced over time, our business, financial condition, results of operations, and future prospects would be adversely affected.

Historically, certain of our customers have accounted for a significant portion of our revenue. For example, for 2020, our top five customers accounted for 34% of our revenue, and as of December 31, 2020, we had 18 customers generating more than $1 million in annual revenue, which represented 53% of our revenue in 2020. The concentration of a significant portion of our business and transaction volume with a limited number of customers, or type of customer or industry, exposes us disproportionately to any of those customers choosing to no longer partner with us or choosing to partner with a competitor, to the economic performance or market share of those customers or industry, including as a result of challenger banks or technology disrupters, or to any events, circumstances, or risks affecting such customers or industry. Additionally, because we do not have long-term contractual financial commitments with many of our customers, a material modification in the financial operations of a key customer could affect our transaction volume with that customer and therefore our revenue growth. If we are unable to continue to increase the number of other customers on our platform or if any of our key customers were to suspend, limit, or cease their operations or otherwise terminate their relationship with us or lose market share, our business, financial condition, and results of operations would be adversely affected.

We face intense competition, and if we are unable to compete effectively, our business, financial condition, and results of operations could be adversely affected.

The market in which we operate is intensely competitive and characterized by shifting user preferences, fragmentation, and frequent introductions of new services and offerings. The primary

competitors for our software platform include point solution vendors, providers of back office software with proprietary digital capabilities, and systems developed internally at financial services firms. Our current and future competitors may enjoy competitive advantages, such as greater name recognition, longer operating histories, greater category share in certain markets, market-specific knowledge, established relationships with financial services firms, including those with larger market share than our customers, and larger existing user bases in certain markets, more successful marketing capabilities, and substantially greater financial, technical, and other resources than we have. Greater financial resources and product development capabilities may allow these competitors to respond more quickly to new or emerging technologies and changes in financial services firm preferences that may render our platform less attractive or obsolete. Our competitors may also make acquisitions or establish cooperative or other strategic relationships among themselves or with others, introduce new offerings with competitive price and performance characteristics or undertake more aggressive marketing campaigns than ours. Additionally, many of our competitors are well capitalized and offer discounted services, lower pricing, incentives, discounts and promotions, and innovative platforms and offerings, which may be more attractive than those that we offer. Further, our customers may decide to develop their own solutions that compete with ours.

As we and our competitors introduce new offerings and invest more in digital capabilities, and as existing offerings evolve, we expect to become subject to additional competition. Our competitors may adopt certain of our platform features or may adopt innovations that our customers value more highly than ours, which would render our platform less attractive and reduce our ability to differentiate our platform. Increased competition could result in, among other things, a reduction of the revenue we generate from the use of our platform from reduced demand or pricing pressures, the number of customers, the frequency of use of our platform, and our margins. For all of these reasons, we may not be able to compete successfully. If we lose existing customers, fail to attract new customers, or are forced to make pricing concessions as a result of increased competition, our business, financial condition, and results of operations could be adversely affected.

We have a limited operating history in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

We were founded in 2012 and have experienced rapid growth in recent years. Our limited operating history may make it difficult to make accurate predictions about our future performance. Assessing our business and future prospects may also be difficult because of the risks and difficulties we face. These risks and difficulties include our ability to:

- accurately forecast our revenue and plan our operating expenses;
- develop a scalable, high-performance technology infrastructure that can efficiently and reliably handle increased usage, as well as the deployment of new features and services;
- maintain and increase the volume of transactions enabled through our platform;
- enter into new and maintain existing customer relationships;
- successfully identify, negotiate, execute, and integrate strategic acquisitions and partnerships;
- successfully compete with current and future competitors;
- successfully build our brand and protect our reputation from negative publicity;
- increase the effectiveness of our marketing strategies;
- successfully adjust our proprietary technology, products, and services in a timely manner in response to changing macroeconomic conditions and fluctuations in the credit market;
- enter into new and maintain existing ecosystem partnerships;

- successfully introduce new products and services and enter new markets and geographies;
- adapt to rapidly evolving trends in the ways customers and consumers interact with technology;
- comply with and successfully adapt to complex and evolving regulatory environments;
- protect against fraud and online theft;
- avoid interruptions or disruptions in our service;
- effectively secure and maintain the confidentiality of the information received, accessed, stored, provided, and used across our systems;
- successfully obtain and maintain funding and liquidity to support continued growth and general corporate purposes;
- attract, integrate, and retain qualified employees; and
- effectively manage rapid growth in our personnel and operations.

If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above as well as those described elsewhere in this "*Risk Factors*" section, our business, financial condition, and results of operations could be adversely affected. Further, because we have limited historical financial data and operate in a rapidly evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition, and results of operations could be adversely affected.

We expect to experience significant growth through strategic acquisitions and partnerships, including our acquisition of Title365, and we face risks related to the integration of such acquisitions and the management of such growth.

As part of our growth strategy, we have in the past acquired and made significant investments in, and may in the future acquire or make significant investments in, companies, businesses, personnel, and technologies. For example, in March 2021, we entered into a share purchase agreement to acquire Title365, or the Proposed Acquisition, and in connection with the Proposed Acquisition, a commitment letter for (i) a senior secured first-lien term loan facility in the aggregate principal amount of $225 million, or the Term Loan, and (ii) a senior secured first-lien revolving credit facility in an aggregate principal amount of $25 million, or the Revolving Credit Facility, and together with the Term Loan, the Facilities, the terms of which are expected to be finalized on or prior to the closing of the Proposed Acquisition. Each acquisition requires unique approaches to integration due to, among other reasons, the structure of the acquisitions, the integration of technology, the size, locations, and cultural differences among their teams and ours, and has required, and will continue to require, attention from our management team. As we continue to grow, the size of our acquisitions and investments may increase. In addition to the larger purchase prices associated with such acquisitions and investments, larger acquisitions and investments may also require additional management resources to integrate more significant and often more complex businesses into our company. We will continue to explore and evaluate additional acquisitions, some of which may be the same size or even larger in scale and investment than our pending acquisition of Title365.

Our future success depends in part on our ability to integrate these acquisitions and manage these businesses, partnerships, and transactions effectively. If we are unable to obtain the anticipated

benefits or synergies of such acquisitions, or we encounter difficulties integrating acquired businesses with ours, our business, financial condition, and results of operations could be adversely affected.

Challenges and risks from such strategic acquisitions and partnerships include:

- diversion of management's attention in the acquisition and integration process, including oversight over acquired businesses which may continue their operations under contingent consideration provisions in acquisition agreements;
- declining employee morale and retention issues resulting from changes in compensation, or changes in management, reporting relationships, or future performance;
- the need to integrate the operations, systems, technologies, products, and personnel of each acquired company, the inefficiencies and lack of control that may result if such integration is delayed or not implemented, and unforeseen difficulties and expenditures that may arise in connection with integration;
- the need to implement internal controls, procedures, and policies appropriate for a larger, U.S.-based public company at companies that prior to acquisition may not have robust controls, procedures, and policies, in particular, with respect to the effectiveness of internal controls, cyber and information security practices, incident response plans, and business continuity and disaster recovery plans, compliance with privacy, data protection, information security, and other regulations, and compliance with U.S.-based economic policies and sanctions which may not have previously been applicable to the acquired company's operations;
- the difficulty in accurately forecasting and accounting for the financial impact of an acquisition transaction, including accounting charges, write-offs of deferred revenue under purchase accounting, and integrating and reporting results for acquired companies that have not historically followed U.S. generally accepted accounting principles, or GAAP;
- the implementation of restructuring actions and cost reduction initiatives to streamline operations and improve cost efficiencies;
- the fact that we may be required to pay contingent consideration in excess of the initial fair value, and contingent consideration may become payable at a time when we do not have sufficient cash available to pay such consideration;
- in the case of foreign acquisitions or acquisitions that include a foreign entity or operations, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political, and regulatory risks associated with specific countries as well as tax risks that may arise from the acquisition;
- increasing legal, regulatory, and compliance exposure, and the additional costs related to mitigate each of those, as a result of adding new offices, employees, and other service providers, benefit plans, equity awards, job types, and lines of business globally; and
- liability for activities of the acquired company before the acquisition, including intellectual property, commercial, and other litigation claims or disputes, cyber and information security vulnerabilities and incidents, violations of laws, rules and regulations, including with respect to employee classification, tax liabilities, and other known and unknown liabilities.

If we are unable to successfully integrate and manage our acquisitions and strategic partnerships, we may not realize the expected benefits of such transactions or become exposed to additional liabilities, and our business, financial condition, and results of operations could be adversely affected.

Changes in market interest rates could adversely affect our business, financial condition, and results of operations.

Increased interest rates may adversely impact the spending levels of consumers and their ability and willingness to borrow money. Higher interest rates often lead to higher loan rates charged to consumers, which could adversely affect the ability of our customers to generate volume and in turn, the number of transactions enabled through our platform and thus our ability to generate revenue from such transactions. As a result of these circumstances, financial services firms and consumers may be discouraged from engaging with our platform and as a result, reduce the volume of transactions enabled through our platform, which could adversely affect our business, financial condition, and results of operations.

Our results of operations are likely to fluctuate from period to period, which could cause the market price of our Class A common stock to decline.

Our results of operations have historically varied from period to period, and we expect that our results of operations will continue to vary significantly from quarter to quarter and year to year because of a variety of factors, many of which are outside of our control and difficult to predict. As a result, you should not rely upon our historical results of operations as indicators of future performance. Numerous factors can influence our results of operations, including:

- our ability to attract and retain customers in a cost-effective manner;
- our ability to maintain or increase loan volumes, transactions processed and platform utilization, and improve loan mix;
- our ability to successfully expand in existing markets and successfully enter new markets;
- changes in financial services firm behavior with respect to cloud-based software products and solutions;
- the amount and timing of operating expenses related to maintaining and expanding our business, operations, and infrastructure, including acquiring new and maintaining existing customers;
- the mix of revenue we generate from our products and our marketplace;
- the timing and success of new products and services;
- the impact of worldwide economic conditions, including economic slowdowns, recessions, and tightening of credit markets, including due to the economic impact of the COVID-19 pandemic;
- the seasonality of our business;
- our ability to maintain an adequate rate of growth and effectively manage that growth;
- our ability to keep pace with technology changes in our industry;
- the success of our sales and marketing efforts;
- the effects of negative publicity on our business, reputation, or brand;
- our ability to protect, maintain, and enforce our intellectual property;
- costs associated with defending claims, including intellectual property infringement claims, and related judgments or settlements;
- changes in governmental or other regulations, including state and federal banking laws and regulations or in federal monetary policies, affecting our business;
- interruptions in service and any related impact on our business, reputation, or brand;

- the attraction and engagement of qualified employees and key personnel;
- our ability to choose and effectively manage partners, vendors, and other service providers;
- the effects of natural or man-made catastrophic events;
- the effectiveness of our internal control over financial reporting; and
- changes in our tax rates or exposure to additional tax liabilities.

The variability and unpredictability of our results of operations could result in our failure to meet our expectations or those of analysts that cover us or investors with respect to revenue or other results of operations for a particular period. If we fail to meet or exceed such expectations, the market price of our Class A common stock could fall substantially, and we could face costly lawsuits, including securities class action suits.

A cybersecurity incident affecting us or the third parties we rely on or partner with could expose us or our customers and consumers to a risk of loss or misuse of confidential information and significantly damage our reputation.

We are increasingly dependent on information technology systems and infrastructure to operate our business. In the ordinary course of our business, we collect, receive, use, transmit, store, and otherwise process large amounts of sensitive information, including personal information, credit information, and other sensitive and confidential information of consumers and potential consumers. It is critical that we do so in a manner designed to maintain the confidentiality, integrity, and availability of such sensitive information. Additionally, in the ordinary course of our business, we collect, store, transmit, and otherwise process large amounts of sensitive corporate, personal, and other information, including intellectual property, proprietary business information, and other confidential information. We also have arrangements in place with certain of our partners, vendors, and other service providers that require us to share certain of the information we maintain and otherwise process, including consumer information, with them. Certain elements of our operations (including elements of our information technology infrastructure) rely on third parties, and as a result, we manage a number of third-party service providers who may have access to our computer networks and sensitive or confidential information. In addition, many of those third parties may in turn subcontract or outsource some of their responsibilities to other third parties. As a result, our information technology systems, including the functions of third parties that are involved or have access to those systems, are large and complex, with many points of entry and access. Like all information technology systems that are distributed and have large amounts of sensitive information stored on those systems, our systems are potentially vulnerable to and may be subject to unintentional, inadvertent, or malicious, internal and external attacks, including security breaches, incidents, attacks, exposures, intrusions, malware, ransomware, social engineering attacks, phishing and spearphishing attempts, attempts to overload our servers with distributed denial-of-service attacks, employee theft, unauthorized access by third parties (including foreign governments or state actors with significant financial and technological resources) or internal actors, or other attacks and similar disruptions. Any vulnerabilities can be exploited from inadvertent or intentional actions of our employees, partners, vendors, service providers, customers, or by malicious third parties. For example, to the extent manual processes are involved in the handling of sensitive information, such sensitive information could be inadvertently misdirected despite our training and quality assurance precautions. While we have taken steps to protect the sensitive and confidential information that we have access to and have implemented multiple overlapping controls to reduce risk of a single control failure, our security measures or those of our partners, vendors, or other service providers could be breached or we could suffer data loss or unauthorized access to our platform or the systems or networks used in our business.

Because attacks of this nature are increasing in frequency, levels of persistence, sophistication and intensity, and techniques used to obtain unauthorized access or to sabotage systems change

frequently and may not be known until they are launched against a target, we and our partners, vendors, and other service providers may be unable to anticipate or prevent these attacks, react in a timely manner, or implement adequate preventive measures, and we may face delays in our detection or remediation of, or other responses to, security breaches and other privacy- and security-related incidents. These security risks that we and our partners, vendors, and other service providers face have been heightened by an increase in employees and service providers working remotely in response to the COVID-19 pandemic.

In addition, consumers on our platform could have vulnerabilities on their own devices that are entirely unrelated to our systems and platform but could mistakenly attribute their own vulnerabilities to us. Consumers on our platform may also provide sensitive information to other third parties through their use of our platform, and consumers could mistakenly attribute any misuse of such information by other third parties to us. Further, breaches experienced by other companies may also be leveraged against us. For example, credential stuffing and business email compromise attacks are becoming increasingly common and sophisticated actors can mask their attacks, making them increasingly difficult to identify and prevent. Certain efforts may be state-sponsored or supported by significant financial and technological resources, making them even more difficult to detect, remediate, and otherwise respond to.

There also have been and may continue to be significant supply chain attacks, and we cannot guarantee that our or our partners', vendors', or service providers' systems and networks have not been breached or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us and our services. In addition, laws, regulations, government guidance, and industry standards and practices in the United States and elsewhere are rapidly evolving to combat these threats. We may face increased compliance burdens regarding such requirements with regulators and customers regarding our products and services and also incur additional costs for oversight and monitoring of our own supply chain.

Although we have developed systems and processes that are designed to protect the confidential and sensitive information we maintain and our partners, vendors, and other service providers maintain on our behalf, including personal data of our customers, consumers, and employees, protect our systems, prevent data loss, and prevent other security breaches and security incidents, these security measures may not have fully protected our systems in the past and cannot guarantee security in the future. The information technology systems and infrastructure used in our business may be vulnerable to cyberattacks or security breaches, and third parties may be able to access data, including personal information and other sensitive and proprietary data of our customers and consumers, our employees' personal information, or our other sensitive and proprietary data, accessible through those systems. Employee error, malfeasance, or other errors in the storage, use, or transmission of any of these types of data could result in an actual or perceived privacy or security breach or other security incident. Although we have policies and technologies restricting access to the personal information we store, there is a risk that these policies and technologies may not be effective in all cases. Any actual or perceived breach of privacy, or any actual or perceived security breach or other incident, could interrupt our operations, result in our platform being unavailable, result in loss or improper access to, or acquisition or disclosure of sensitive or confidential information, personal information, or other data, result in fraudulent transfer of funds, harm our reputation, brand, and competitive position, damage our relationships with our customers, subject us to adverse media coverage, or result in claims, regulatory investigations, and proceedings and significant legal, regulatory, and financial exposure, including ongoing monitoring by regulators, and any such incidents or any perception that our security measures are inadequate could lead to loss of customer confidence in, or decreased use of, our platform, any of which could adversely affect our business, financial condition, and results of operations. Any actual or perceived breach of privacy or security, or other security incident, impacting any entities with which we share or disclose data (including, for example, our partners, vendors, or other service providers) could

have similar effects. We also expect to incur significant costs in an effort to detect and prevent privacy and security breaches and other privacy- and security-related incidents, and we may face increased costs and requirements to expend substantial resources in the event of an actual or perceived privacy or security breach or other incident.

Additionally, defending against claims or litigation based on any security breach or incident, regardless of their merit, could be costly and divert management's attention. We cannot ensure that any provisions in our agreements with customers, contracts with service providers and other contracts relating to limitations of liability, including those in connection with a security lapse or breach or other privacy- or security-related incident, would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular claim. We cannot be certain that our insurance coverage will be adequate for data handling or data security costs or liabilities actually incurred, that insurance will continue to be available to us on commercially reasonable terms or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our reputation, brand, business, financial condition, and results of operations.

Growth of our business will depend on a trustworthy reputation and strong brand and any failure to maintain, protect, and enhance our brand would hurt our ability to retain or expand our base of customers and our ability to increase their level of engagement.

We believe maintaining a trustworthy reputation and strong brand is critical to our success and our ability to attract customers to our platform and maintain good relations with regulators. Our reputation, brand, and ability to build trust with existing and new customers may be adversely affected by complaints and negative publicity about us, our platform, partners, and customers that utilize our platform or our competitors' platforms, even if factually incorrect or based on isolated incidents. Negative perception of our platform or company may harm our reputation and brand, including as a result of:

- perceptions of cloud-based software and our industry and our company, including the quality, security, and reliability of our cloud-based software platform;
- the overall user experience of our platform;
- changes to our platform;
- a failure to provide a range of options sought by customers or consumers;
- our ability to effectively manage and resolve customer and consumer complaints;
- fraudulent, illegal, negligent, reckless, or otherwise inappropriate behavior by users or third parties;
- actual or perceived disruptions to, failures of, or defects, bugs, vulnerabilities, or errors in our platform or similar incidents, such as privacy or data security breaches or other security incidents, site outages, payment disruptions, or other incidents that impact or may be perceived to impact the reliability of our services, including services provided by third parties we rely on;
- litigation over, or investigations by regulators into, our platform;
- customers' or consumers' lack of awareness of, or compliance with, our policies;
- a failure to comply with legal, tax, privacy, data protection, information security, or regulatory requirements;
- changes to our practices with respect to collection and use of customer and consumer data;

- a failure to enforce our policies in a manner that users perceive as effective, fair, and transparent;
- a failure to operate our business in a way that is consistent with our values and mission;
- inadequate or unsatisfactory support experiences for our customers;
- illegal or otherwise inappropriate behavior by our management team or other employees or contractors; or
- a failure to register and prevent misappropriation of our trademarks.

If we do not successfully develop, protect, and enhance our reputation and brand, our business, financial condition, and results of operations could be adversely affected.

If we fail to manage our growth effectively, our reputation, business, financial condition, and results of operations could be adversely affected.

Since 2012, we have experienced rapid growth in our employee headcount, our customers, and our operations, and we expect to continue to experience growth in the future. Employee growth has occurred both at our San Francisco headquarters and in a number of our offices across the United States. This growth has placed, and may continue to place, substantial demands on management and our operational and financial infrastructure. As with many companies in our growth stage, as of March 2021, a majority of our employees have been with us for fewer than 13 months. We have made, and intend to continue to make, substantial investments in our technology, customer service, risk, sales and marketing infrastructure. Our ability to manage our growth effectively and to integrate new employees, technologies, and acquisitions into our existing business will require us to continue to expand our operational and financial infrastructure and to continue to effectively integrate, develop, and motivate a large number of new employees, while maintaining the beneficial aspects of our culture. Continued growth could challenge our ability to develop and improve our information technology infrastructure and our operational, financial, and management controls, enhance our reporting systems and procedures, recruit, train, and retain highly skilled personnel and maintain user satisfaction. Additionally, if we do not manage the growth of our business and operations effectively, the quality of our platform and the efficiency of our operations could suffer, which could adversely affect our reputation, business, financial condition, and results of operations.

Systems failures and resulting interruptions in the availability of our website or platform, or other delays or slow response times from our website or platform, could adversely affect our business, financial condition, and results of operations.

We currently serve our customers and consumers on our platform from third-party data center hosting facilities. It is critical to our success that our customers (including their customers) and consumers be able to access our platform at all times, and that the performance of our platform is responsive and rapid. Our systems, or those of third parties upon which we rely, may experience service interruptions, outages, failures, or degradation or other performance problems because of hardware and software defects or malfunctions, distributed denial-of-service and other cyberattacks, infrastructure changes, human error, earthquakes, hurricanes, floods, fires, other natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, computer viruses, ransomware, malware, or other events. Our systems also may be subject to break-ins, sabotage, theft, and intentional acts of vandalism, including by our own employees. Some of our systems are not fully redundant and our disaster recovery planning may not be sufficient for all eventualities. These eventualities could cause information, including information relating to our customers and consumers, to be lost, corrupted, altered, or delayed. Our business interruption insurance may not be sufficient to cover all of our losses that may result from interruptions in our service as a result of systems failures

and similar events. Additionally, in some cases, partners, vendors, and other service providers run their own platforms that we access, and we are, therefore, vulnerable to their service interruptions. In the event that our data center arrangements are terminated, or if there are any lapses of service or damage to a center, we could experience lengthy interruptions in our service as well as delays and additional expenses in arranging new facilities and services.

We have experienced and will likely continue to experience system failures and other events or conditions from time to time that interrupt the availability or reduce or affect the speed or functionality of our platform. These system failures generally occur either as a result of software updates being deployed with unexpected errors or as a result of temporary infrastructure failures related to storage, network, or compute capacity being exhausted. These events have resulted in losses in revenue, though such losses have not been material to date. System failures in the future could result in significant losses of revenue. Moreover, we have in the past provided credits to customers per contractual obligations and/or voluntarily made payments to customers to compensate them for the system failure or similar event, and we may provide similar such credits in the future. In addition, the affected customer or consumer could seek monetary recourse from us for its losses and such claims, even if unsuccessful, would likely be time-consuming and costly for us to address. Further, in some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. A prolonged interruption in the availability or reduction in the availability, speed, or other functionality of our platform could adversely affect our business and reputation and could result in the loss of customers.

Further, we have service level agreements with a small number of our customers that require us to meet specific transaction response times. In the event that we fail to meet those requirements, whether because of system failures, slow platform performance, or otherwise, our customers may request credits from us, which could adversely impact our revenue and results of operations in a period where we provide such credits.

We operate under a success-based business model and may rely on self-reporting of completed transactions by our customers, which can make it difficult to forecast revenue.

We offer our products through software-as-a-service agreements where fees are assessed for each completed transaction, such as a funded loan, new account opening, or closing transaction. We do not charge for abandoned applications or rejected applications, even though they cause us to incur costs. Our customers have the ability to access our platform under subscription arrangements, in which customers commit to a minimum number of completed transactions at specified prices over the contract term, or under usage-based arrangements, in which customers pay in arrears a variable amount for completed transactions at a specified price. Our subscription arrangements are generally non-cancelable during the contract term, and we may also earn additional overage fees if the number of completed transactions exceeds contractual minimums. Our usage-based arrangements generally can be terminated at any time by the customer. We recognize revenue ratably for our subscription arrangements because the customer receives and consumes the benefits of our platform throughout the contract period. We recognize fees for usage-based arrangements as the completed transactions are processed using our platform.

We use and may rely on the reporting of completed transactions by our customers when invoicing them for usage and overage fees in connection with our arrangements. If the reporting of completed transactions by our customers is not timely or accurate, it may impact our ability to estimate revenue, which may impact the accuracy of our actual and forecasted revenue recognized from our customers. If we incorrectly forecast revenue from our customers and the amount of revenue is less than projections we provide to investors, the price of our Class A common stock could decline substantially and our business, financial condition, and results of operations could be adversely affected.

Our sales cycle can be unpredictable, time-consuming, and costly.

Our sales process involves educating prospective and existing customers about the benefits and technical capabilities of our products and services. Prospective customers often undertake a prolonged evaluation process, which typically involves not only our products and services, but also those of our competitors. Our sales cycles are typically lengthy, generally ranging from six to nine months for smaller financial services firms and twelve to eighteen months or more for larger financial services firms. We may spend substantial time, effort, and money on our sales and marketing efforts without any assurance that our efforts will produce any sales. Events affecting our customers' businesses may occur during the sales cycle that could affect the size or timing of a purchase, contributing to more unpredictability in our business and results of operations. As a result of these factors, we may face greater costs, longer sales cycles, and less predictability in the future, which could adversely affect our business, financial condition, and results of operations.

Our business is substantially dependent on revenue from the financial services industry and subject to risks related to the mortgage industry and the larger financial services industry. Our business may also be adversely affected by downturns in the mortgage industry.

A substantial majority of the transactions enabled through our platform are mortgage loans and refinances, and our financial prospects depend significantly on the financial services industry ecosystem. If financial services firms experience large or unexpected losses through the offering of financial products, these firms may choose to decrease the amount of money they spend with us. In addition, increased competition to financial services firms from challenger banks and technology
disrupters as well as decreases in consumer demand in the financial services industry in general could adversely affect the demand for our product and, in turn, the number of customers and their consumers using our platform. In addition, the number of mortgage loans, refinances, and other loan products may decline during recessionary periods and other periods in which disposable income is adversely affected and may be affected by negative trends in the broader economy, including the cost of energy and gasoline, the availability and cost of credit, reductions in business and consumer confidence, stock market volatility, and increased unemployment.

We may encounter deployment challenges, which could adversely affect our business, financial condition, and results of operations.

We may face unexpected challenges related to the complexity of our customers' deployment and configuration requirements. Deployment of our software platform may be delayed or expenses may increase when customers have unexpected data, software, or technology challenges, or unanticipated business requirements, which could adversely affect our relationship with our customers and our business, financial condition, and results of operations. In general, our revenue related to deployment and other professional services we provide is recognized on a proportional performance basis, and delays and difficulties in these engagements could result in losses or the recognition of revenue later than expected. Further, because we do not fully control our customers' deployment schedules, if our customers do not allocate the internal resources necessary to meet deployment timelines or if there are otherwise unanticipated deployment delays or difficulties, our ability to take customers live and the overall customer experience could be adversely affected. We rely on existing customers to act as references for prospective customers, and difficulties in deployment and configuration could therefore adversely affect our ability to attract new customers. Any difficulties or delays in the deployment processes could cause customers to delay or forego future purchases of our products and services, which could adversely affect our business, financial condition, and results of operations.

Defects, errors, or vulnerabilities in our applications, backend systems, or other technology systems and those of third-party technology providers could harm our reputation and brand and adversely impact our business, financial condition, and results of operations.

Our platform and system infrastructure rely on software that is highly technical and complex and depend on the ability of such software to store, retrieve, process, and manage high volumes of data. The software on which we rely may contain undetected errors, defects, bugs, or vulnerabilities, some of which may only be discovered after the code has been released. Our practice is to effect frequent releases of software updates, sometimes multiple times per day. The third-party software that we incorporate into our platform or rely on may also be subject to errors, defects, bugs, or vulnerabilities. Any errors, defects, bugs, or vulnerabilities discovered in our code or from third-party software after release could result in negative publicity, a loss of users, increased regulatory scrutiny, fines or penalties, loss of revenue or liability for damages, and access or other performance issues. Such vulnerabilities could also be exploited by malicious actors and result in exposure of data of users on our platform, or otherwise result in a security breach or other security incident. We may need to expend significant financial and development resources to analyze, correct, eliminate, or work around errors, bugs, or defects or to address, analyze, correct, and eliminate software platform vulnerabilities. Any failure to timely and effectively resolve any such errors, defects, bugs, or vulnerabilities could adversely affect our business, reputation, brand, financial condition, and results of operations.

Any failure to offer high-quality customer support by us or by partners, vendors, and other service providers may adversely affect our relationships with our customers and could adversely affect our reputation, brand, business, financial condition, and results of operations.

Our ability to attract and retain customers is dependent in part on our ability to provide high-quality support. Our customers depend on our customer success organization to resolve any issues relating to our platform and products. As we continue to grow our business and improve our offerings, we will face challenges related to providing high-quality support services at scale. Additionally, to the extent we decide to grow our international business and the number of international users on our platform, our customer success organization will face additional challenges, including those associated with delivering support in languages other than English. Any failure to maintain high-quality support, or a market perception that we do not maintain high-quality support, could harm our reputation and adversely affect our ability to scale our platform and business, our financial condition, and our results of operations.

We experience significant seasonal fluctuations in our financial results, which could cause our Class A common stock price to fluctuate.

Our business is highly dependent on consumer borrowing patterns that have an impact on our results of operations. We generally experience changes in consumer activity over the course of the calendar year, although our rapid growth and the impact of the COVID-19 pandemic has made, and may continue to make, seasonal fluctuations difficult to detect. Historically, our revenue has been strongest during the second and third quarters of our fiscal year as a result of higher demand for mortgages and other loans during the summer months. Seasonality will likely cause fluctuations in our financial results on a quarterly basis. While our growth has obscured this seasonality in our overall financial results, we expect our results of operations to continue to be affected by such seasonality in the future. In addition, other seasonal trends may develop and the existing seasonal trends that we experience may become more pronounced and contribute to fluctuations in our results of operations as we continue to scale and our growth slows. As such, we may not accurately forecast our results of operations. However, we base our spending and investment plans on forecasts and estimates, and we may not be able to adjust our spending quickly enough if our revenue is less than expected, causing our results of operations to fail to meet our expectations or the expectations of investors.

The market for cloud-based banking software is still in relatively early stages of growth and if this market does not continue to grow, grows more slowly than we expect or fails to grow as large as we expect, our business, financial condition, and results of operations could be adversely affected.

Use of, and reliance on, cloud-based banking software is still at an early stage, and we do not know whether financial services firms will continue to adopt cloud-based banking software in the future, or whether the market will change in ways we do not anticipate. Many financial services firms have invested substantial personnel and financial resources in legacy software, and these institutions may be reluctant, unwilling or unable to convert from their existing systems to our software platform. Furthermore, these financial services firms may be reluctant, unwilling or unable to use cloud-based banking software due to various concerns such as the security of their data and reliability of the delivery model. These concerns or other considerations may cause financial services firms to choose not to adopt cloud-based banking software such as our cloud-based software platform or to adopt them more slowly than we anticipate, either of which would adversely affect our business, financial condition, and results of operations. Our future success also depends on our ability to sell additional products, services, and functionality to our current and prospective customers. As we create new products and services and enhance our existing products and services, these applications and enhancements may not be attractive to customers. In addition, promoting and selling new and enhanced functionality may require increasingly costly sales and marketing efforts, and if customers choose not to adopt this functionality our business and results of operations could suffer. If financial services firms are unwilling or unable to transition from their legacy systems, or if the demand for our software platform does not meet our expectations, our business, financial condition, and results of operations could be adversely affected.

Unfavorable conditions in our industry or the global economy or reductions in technology spending could limit our ability to grow our business and adversely affect our financial condition and results of operations.

Our results of operations may vary based on the impact of changes in our industry or the U.S. economy on us or our customers. The revenue growth and potential profitability of our business depend on demand for our solutions. Current or future economic uncertainties or downturns could adversely affect our business and results of operations. Negative conditions in the general economy in the United States and abroad, including conditions resulting from changes in gross domestic product growth, financial and credit market fluctuations, political turmoil, natural catastrophes, warfare and terrorist attacks on the United States, Europe, the Asia Pacific region or elsewhere, could cause a decrease in lending activity and business investments, including spending on technology, and negatively affect the growth of our business. For example, the COVID-19 pandemic has created and may continue to create significant uncertainty in global financial markets and the long-term economic impact of the COVID-19 pandemic is highly uncertain. To the extent our solutions are perceived by customers and potential customers as costly, or too difficult to deploy or migrate to, our revenue may be disproportionately affected by delays or reductions in general technology spending. Also, competitors, some of whom are larger and more established than we are, may respond to market conditions by lowering prices and attempting to lure away our customers. We cannot predict the timing, strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry. If the economic conditions of the general economy or markets in which we operate worsen from present levels, our business, financial condition, and results of operations could be adversely affected.

Future revenue growth depends upon our ability to adapt to technological change as well as global trends in the way customers access cloud-based banking software and successfully introduce new and enhanced products, services and business models.

We operate in industries that are characterized by rapidly changing technology, evolving industry standards, and frequent new product introductions. We believe that the pace of innovation will continue to accelerate as customers increasingly base their technology investments on a broad range of factors, including products and markets addressed, performance and scale, consumer experience, data governance, and regulatory compliance. We must continue to innovate and develop new products and features to meet changing customer and consumer needs and attract and retain talented software developers.

Our business depends significantly on revenue from large and mid-sized financial services firms. As our existing platform components mature, we will need to successfully integrate new products on our platform, as well as upgrade the decisioning, verification, and automation components of our existing platform in order to continue to help our customers adapt quickly to constantly changing market conditions. If we are not able to develop and clearly demonstrate the value of new products, upgraded components, or services to our customers, or effectively utilize our customers' data to provide them with value, our ability to retain and acquire customers could be adversely affected. If competitors introduce new offerings embodying new technologies, or if new industry standards and practices emerge, our existing technology, services, and website may become obsolete. Our future success could depend on our ability to respond to technological advances and emerging industry standards and practices in a cost-effective and timely manner.

We have scaled our business rapidly and significant new platform features and services have in the past resulted in, and in the future may continue to result in, operational challenges affecting our business. Developing and launching enhancements to our platform and new products and services on our platform may involve significant technical risks and upfront capital investments that may not generate return on investment. We may use new technologies ineffectively, or we may fail to adapt to emerging industry standards. If we face material delays in introducing new or enhanced platform features, products, and services or if our recently introduced offerings do not perform in accordance with our expectations, the customers and consumers that utilize our platform may forego the use of our services in favor of those of our competitors.

We depend on our senior management team and our other highly skilled employees to grow and operate our business, and if we are unable to hire, retain, manage, and motivate our employees, or if our new employees do not perform as we anticipate, we may not be able to grow effectively and our business, financial condition, and results of operations could be adversely affected.

Our future success will depend in part on the continued service of our founders, senior management team, key technical employees, and other highly skilled employees, including Nima Ghamsari, Head of Blend, Co-Founder, and Chair of our board of directors, and on our ability to continue to identify, hire, develop, motivate, and retain talented employees. We may not be able to retain the services of any of our employees or other members of senior management in the future. Also, all of our U.S.-based employees, including our senior management team and Mr. Ghamsari, work for us on an at-will basis, and there is no assurance that any such employee will remain with us. Our competitors may be successful in recruiting and hiring members of our management team or other key employees, and it may be difficult for us to find suitable replacements on a timely basis, on competitive terms, or at all. If we are unable to attract and retain the necessary employees, particularly in critical areas of our business, we may not achieve our strategic goals. In addition, from time to time, there may be changes in our senior management team that may be disruptive to our business. If our senior management

team fails to work together effectively and to execute its plans and strategies, our business, financial condition, and results of operations could be adversely affected.

We face intense competition for highly skilled employees, especially in the San Francisco Bay Area where we have a substantial presence and need for highly skilled employees. To attract and retain top talent, we have offered, and we believe we will need to continue to offer, competitive compensation and benefits packages. Job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. The trading price of our Class A common stock following this offering is likely to be volatile and could be subject to fluctuations in response to various factors and may not appreciate. If the perceived value of our equity awards declines for this or other reasons, it may adversely affect our ability to attract and retain highly qualified employees. Certain of our employees have received significant proceeds from sales of our equity in private transactions and many of our employees may receive significant proceeds from sales of our equity in the public markets following this offering, which may reduce their motivation to continue to work for us. We may need to invest significant amounts of cash and equity to attract and retain new employees and expend significant time and resources to identify, recruit, train, and integrate such employees, and we may never realize returns on these investments. If we are unable to effectively manage our hiring needs or successfully integrate new hires, our efficiency, ability to meet forecasts, and employee morale, productivity, and engagement could suffer, which could adversely affect our business, financial condition, and results of operations.

Misconduct and errors by our employees, partners, vendors, and other service providers could adversely affect our business, financial condition, results of operations, and reputation.

We are exposed to many types of operational risk, including the risk of misconduct and errors by our employees, partners, vendors, and other service providers. Our business depends on our employees, partners, vendors, and other service providers to enable the processing of a large number of increasingly complex transactions, including transactions that involve significant dollar amounts and loan and financial transactions that involve the collection, use, and disclosure of sensitive information, including personal information and confidential business information. We could be adversely affected if transactions were redirected, misappropriated, or otherwise improperly executed, sensitive information, including personal information and confidential business information, was accessible by or disclosed to unintended persons, or an operational breakdown or failure in the processing of other transactions occurred, whether as a result of human error, a purposeful sabotage or a fraudulent manipulation of our operations or systems. In addition, the manner in which we store and use certain personal information and interact with consumers, and the manner in which our customers interact with their customers through our platform is governed by various federal and state laws. It is not always possible to identify and deter misconduct or errors by employees, partners, vendors, or other service providers, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses. Any of these occurrences could result in our diminished ability to operate our business, potential liability to customers and consumers, inability to attract future customers and consumers, reputational damage, regulatory intervention, and financial harm, which could adversely affect our business, financial condition, results of operations, and reputation.

We plan to continue to expand and diversify our operations through strategic acquisitions and partnerships. We face a number of risks related to these transactions.

We plan to continue to expand and diversify our operations with additional strategic acquisitions or partnerships, strategic collaborations, joint ventures, or licensing arrangements. As we continue to grow, these transactions may be larger and require significant investments, such as the Proposed Acquisition. We may be unable to identify or complete prospective acquisitions or partnerships for many reasons, including our ability to identify suitable targets, increasing competition from other

potential acquirers, the effects of consolidation in our industries, potentially high valuations of acquisition candidates, and the availability of financing to complete larger acquisitions. Even if we do complete any such transactions, we may incur significant costs, such as professional service fees. In addition, applicable antitrust laws and other regulations may limit our ability to acquire targets, particularly larger targets, or force us to divest an acquired business. If we are unable to identify suitable targets or complete acquisitions, our growth prospects could be adversely affected, and we may not be able to realize sufficient scale and technological advantages to compete effectively in all markets.

Further, completing larger acquisitions or other strategic transactions is significantly riskier in that such transactions require additional consideration and management attention to complete, and could introduce additional exposure to regulatory and compliance risk. To complete these transactions, we may need to spend large amounts of cash, which may not be available to us on acceptable terms, if at all, or issue equity or equity-linked consideration, which may dilute our current stockholders. Further, we generally devote more time and resources towards performing diligence on larger transactions and may be required to devote more resources towards regulatory requirements in connection with such transactions. To the extent that we do not perform sufficient diligence on a larger acquisition or such a transaction does not generate the expected benefits, our business, financial condition, and results of operations would be adversely affected, and to a greater extent than would occur with a smaller transaction.

Additionally, we could face a variety of tax risks related to acquisitions or other strategic transactions, including that we may be required to make tax withholdings in various jurisdictions in connection with such transactions or as part of our continuing operations following a transaction, and that the companies or businesses we acquire may cause us to alter our international tax structure or otherwise create more complexity with respect to tax matters. Additionally, while we typically include indemnification provisions in our definitive agreements related to strategic acquisitions and partnerships, these indemnification provisions may be insufficient in the event that tax liabilities are greater than expected or are in areas that are not fully covered by indemnification. If we are unable to adequately predict and address such tax issues as they arise, our business, financial condition, and results of operations could be adversely affected.

Absent such strategic transactions, we would need to undertake additional development or commercialization activities at our own expense. If we elect to fund and undertake such additional efforts on our own, we may need to obtain additional expertise and additional capital, which may not be available to our company on acceptable terms, if at all. If we are unable to do any of the foregoing, we may not be able to further develop our platform effectively or achieve our expected product roadmap on a timely basis, which could adversely affect our business, financial condition, and results of operations.

The benefits of a strategic acquisition or partnership may also take considerable time to develop, and we cannot be certain that any particular strategic acquisition or partnership will produce the intended benefits. Further, acquisitions could result in potential dilutive issuances of equity securities, use of significant cash balances or incurrence of debt (and increased interest expense), contingent liabilities. or amortization expenses related to intangible assets, or write-offs of goodwill and intangible assets. If we are unable to identify and complete strategic acquisitions or partnerships, our business, financial condition, and results of operations could be adversely affected.

We are committed to expanding our platform and enhancing the user experience, which may not maximize short-term financial results and may yield results that conflict with the market's expectations, which could result in our stock price being adversely affected.

We are passionate about expanding our platform and continually enhancing the user experience, with a focus on driving long-term engagement through innovation, the expansion of our platform, products, and services, and providing high-quality support, which may not necessarily maximize short-term financial results. We frequently make business decisions that may reduce our short-term financial results if we believe that the decisions are consistent with our goals to improve the user experience, which we believe will improve our financial results over the long term. These decisions may not be consistent with the short-term expectations of our stockholders and may not produce the long-term benefits that we expect, in which case our growth, business, financial condition, and results of operations could be adversely affected.

We rely on assumptions, estimates, and unaudited financial information to calculate certain of our key metrics and other figures presented herein, and real or perceived inaccuracies in such metrics could adversely affect our reputation and our business.

Certain of the metrics presented herein are calculated using internal company data that has not been independently verified, data from third-party attribution partners, or unaudited financial information of companies that we have acquired or partnered with. While these metrics and figures are based on what we believe to be reasonable calculations for the applicable period of measurement, there are inherent challenges in measuring these metrics and figures across our worldwide client base and user base. Additionally, certain figures relating to our strategic acquisitions and partnerships are based on unaudited financial information that has been prepared by the management of such companies and has not been independently reviewed or audited. We cannot assure you that such financial information would not be materially different if such information was independently reviewed or audited. We regularly review and may adjust our processes for calculating our metrics and other figures to improve their accuracy, but these efforts may not prove successful and we may discover material inaccuracies. In addition, our methodology for calculating these metrics may differ from the methodology used by other companies to calculate similar metrics and figures. We may also discover unexpected errors in the data that we are using that resulted from technical or other errors. If we determine that any of our metrics or figures are not accurate, we may be required to revise or cease reporting such metrics or figures. Any real or perceived inaccuracies in our metrics and other figures could adversely affect our reputation and our business.

Our marketing efforts to help grow our business may not be effective.

Promoting awareness of our business is important to our ability to grow our business and to attract new customers and consumers and can be costly. We believe that the importance of brand recognition will increase as competition in the consumer lending industry expands. Successful promotion of our brand will depend largely on the effectiveness of marketing efforts and the overall user experience of our customers and consumers on our platform, which factors are outside our control. The marketing channels that we employ may also become more crowded and saturated by other cloud-based software platforms, which may decrease the effectiveness of our marketing campaigns. Our marketing initiatives may become increasingly expensive and generating a meaningful return on these initiatives may be difficult. Even if we successfully increase revenue as a result of our paid marketing efforts, it may not offset the additional marketing expenses we incur. If our marketing efforts to help grow our business are not effective, we expect that our business, financial condition, and results of operations could be adversely affected.

Negative publicity about us, our partners, vendors, and other service providers, or the financial services technology industry, could adversely affect our business, results of operations, financial condition, and future prospects.

Negative publicity about us, our partners or the financial services technology industry, including the transparency, fairness, user experience, quality, and reliability of our platform, our or our partners' privacy, data and security practices, litigation, regulatory activity, misconduct by our employees, partners, vendors, or other service providers, or others in the financial services technology industry, the experience of consumers with our platform or services, or with our customers, even if inaccurate, could adversely affect our reputation and the confidence in, and the use of, our platform by customers and their consumers, which could harm our reputation and cause disruptions to our platform. Any such reputational harm could further affect the behavior of customers and their consumers, including their willingness to use our platform. As a result, our business, results of operations, financial condition, and future prospects would be materially and adversely affected.

Our company culture has contributed to our success and if we cannot maintain and evolve our culture as we grow, our business could be adversely affected.

We believe that our company culture has been critical to our success. We have invested substantial time and resources in building out our team with an emphasis on our shared beliefs and practices and a commitment to diversity and inclusion.

We face a number of challenges that may affect our ability to sustain our corporate culture, including:

- failure to identify, attract, reward, and retain people in leadership positions in our organization who share and further our culture, values, and mission;
- the increasing size and geographic diversity of our workforce;
- competitive pressures to move in directions that may divert us from our mission, vision, and values;
- the continued challenges of a rapidly evolving industry;
- the increasing need to develop expertise in new areas of business that affect us;
- any negative perception of our response to employee sentiment related to political or social causes or actions of management; and
- the integration of new personnel and businesses from acquisitions.

If we are not able to maintain and evolve our culture, our business, financial condition, and results of operations could be adversely affected.

The COVID-19 pandemic, or a similar public health threat, could adversely affect our business, financial condition, and results of operations.

The ongoing COVID-19 pandemic and resulting social distancing and shelter-in-place orders put in place around the world have caused widespread disruption in global economies, productivity, and financial markets and have altered the way in which we conduct our day-to-day business.

The full extent to which the COVID-19 pandemic and the various responses thereto impact our business, financial condition, and results of operations and impact our customers and partners, vendors, and other third parties will depend on numerous evolving factors that we may not be able to accurately predict, including: the duration and scope of the pandemic, including any potential future waves of the pandemic, governmental, business, and individual actions that have been and continue to

be taken in response to the pandemic, the effect on our customers and on global IT spending disruptions, restrictions on our employees' ability to work and travel, and the availability and cost to access the capital markets. As a result of the COVID-19 pandemic, in March 2020, we temporarily closed our offices, required our employees and contractors to work remotely, and implemented travel restrictions, all of which represent a significant disruption in how we operate our business. The operations of our customers and partners have likewise been disrupted. While substantially all of our business operations can be performed remotely, many of our employees are juggling additional work-related and personal challenges. In addition, such remote operations could decrease the cohesiveness of our teams and our ability to maintain our culture, both of which are critical to our success. A remote working environment could impede our ability to undertake new business projects, to foster a creative environment, to hire new team members, and to retain existing team members. We will continue to actively monitor the issues raised by the COVID-19 pandemic and may take further actions that alter our business operations, including as may be required by federal, state, local, or foreign authorities or that we determine are in the best interests of our employees, customers, and stockholders.

The COVID-19 pandemic may also affect the volume and severity of our title insurance claims. As part of the federal response to the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act, was enacted in March 2020. The CARES Act allows borrowers to request a mortgage forbearance and prevents lenders and loan service providers from foreclosing on mortgages backed by the government-sponsored enterprises, or GSEs, such as Fannie Mae or Freddie Mac, or federal mortgages. The federal moratorium on foreclosures of GSE-backed mortgages is set to expire on June 30, 2021. There is no assurance that the government will extend this moratorium. The continuance of foreclosure moratoriums could have an adverse effect on our financial condition and results of operations.

Any of these uncertainties and actions we take to mitigate the effects of the COVID-19 pandemic could adversely affect our business, financial conditions, and results of operations. See the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments—COVID-19*" for additional information about the impact of the COVID-19 pandemic on our business.

If we are unable to effectively combat the increasing number and sophistication of fraudulent activities by third parties using our platform, we may suffer losses, which may be substantial, and lose the confidence of our customers, and government agencies and our business, financial condition, and results of operations may be adversely affected.

The title industry has been experiencing an increasing number of fraudulent activities by third parties, and those fraudulent activities are becoming increasingly sophisticated. Although we do not believe that any of this activity is uniquely targeted at our platform or business, this type of fraudulent activity may adversely affect our title business. In addition to any losses that may result from such fraud, which may be substantial, a loss of confidence by our customers, or governmental agencies in our ability to prevent fraudulent activity that is perpetrated through our software platform or business may seriously harm our business and damage its brand. As fraudulent activities become more pervasive and increasingly sophisticated, and fraud detection and prevention measures must become correspondingly more complex to combat them across the various industries in which we operate, we may implement risk control mechanisms that could make it more difficult for legitimate users to obtain access to and use our platform, which could result in lost revenue and adversely affect our business, financial condition, and results of operations. High profile fraudulent activity or significant increases in fraudulent activity could also lead to regulatory intervention, negative publicity, and the erosion of trust from our customers and consumers, and our business, financial condition, and results of operations could be adversely affected.

Our presence outside the United States and any future international expansion strategy will subject us to additional costs and risks and our plans may not be successful.

We are considering expanding our presence internationally. We expect to eventually launch our platform internationally, and we expect to expand our operations internationally to India in the second half of 2021 in connection with the Proposed Acquisition. Operating outside of the United States may require significant management attention to oversee operations over a broad geographic area with varying cultural norms and customs, in addition to placing strain on our finance, analytics, compliance, legal, engineering, and operations teams. We may incur significant operating expenses and may not be successful in our international expansion for a variety of reasons, including:

- recruiting and retaining talented and capable employees in foreign countries and maintaining our company culture across all of our offices;
- an inability to attract and retain customers;
- complying with varying laws and regulatory standards, including with respect to financial services, labor and employment, data privacy, data protection, information security, tax, and local regulatory restrictions;
- obtaining any required government approvals, licenses, or other authorizations;
- varying levels of Internet and mobile technology adoption and infrastructure;
- currency exchange restrictions or costs and exchange rate fluctuations;
- operating in jurisdictions that do not protect intellectual property rights in the same manner or to the same extent as the United States;
- public health concerns or emergencies, such as the COVID-19 pandemic and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred, and which may occur, in various parts of the world in which we operate or may operate in the future; and
- limitations on the repatriation and investment of funds as well as foreign currency exchange restrictions.

Our lack of experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake may not be successful. If we invest substantial time and resources to expand our operations internationally and are unable to manage these risks effectively, our business, financial condition, and results of operations could be adversely affected.

In addition, international expansion may increase our risks in complying with various laws and standards, including with respect to anti-corruption, anti-bribery, export controls, and trade and economic sanctions.

We may require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.

Historically, we have financed our operations primarily through equity issuances and cash collections from our customers. To support our growing business and to effectively compete, we must have sufficient capital to continue to make significant investments in our platform. We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new platform features and services or enhance our existing platform, improve our operating infrastructure, or acquire complementary businesses and technologies. Additionally, we are considering adopting various employee compensation programs, including one possible program that would allow employees the opportunity to annually elect the

proportion of their compensation that would be provided in the form of cash or equity. The details of any such program, and whether we would even implement any such program, have not been determined at this time. If we do decide to adopt a program like this in the future, it could result in us paying a greater percentage of our employees' compensation in the form of cash or equity, depending on how our employees elect to receive their compensation. This could result in us using a larger amount of our cash reserves for the payment of compensation in future periods or could result in us granting a greater number of our shares subject to equity awards, which could increase our overall dilution, increase our stock-based compensation expense for financial accounting purposes, and increase our tax withholding and remittance obligations. How we determine any such tax withholding obligations would be satisfied could further impact our cash position or increase dilution.

Although we currently anticipate that our existing cash, cash equivalents, and marketable securities and cash collections from our customers will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months, we may require additional financing. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity, equity-linked securities, or convertible debt securities, our existing stockholders could suffer significant dilution, and any new securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A common stock.

We evaluate financing opportunities from time to time, and our ability to obtain financing will depend, among other things, on our development efforts, business plans, and operating performance and the condition of the capital markets at the time we seek financing. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be impaired, and our business, financial condition, and results of operations could be adversely affected.

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the rules and regulations of the applicable listing standards of the New York Stock Exchange. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming, and costly, and place significant strain on our personnel, systems, and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting, which includes hiring additional accounting and financial personnel to implement such processes and controls. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight. If any of these new or improved controls and systems does not perform as expected, we may experience material weaknesses in our controls.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the New York Stock Exchange. We are not currently required to comply with the SEC rules that implement Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. As a public company, we will be required to provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second annual report on Form 10-K.

Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until after we are no longer an emerging growth company as defined in the JOBS Act. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed, or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could have an adverse effect on our business and results of operations and could cause a decline in the price of our Class A common stock.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect or financial reporting standards or interpretations change, our results of operations could be adversely affected.

The preparation of financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the amounts reported and disclosed in our consolidated financial statements and accompanying notes. We base our estimates and assumptions on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to revenue recognition, stock-based compensation and common stock valuations. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of industry or financial analysts and investors, resulting in a decline in the trading price of our Class A common stock.

Additionally, GAAP is subject to interpretation by the Financial Accounting Standards Board, or FASB, the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported results of operations and could affect the reporting of transactions completed before the announcement of a change. For example, in May 2014, the FASB issued Accounting Standards Update, or ASU, No. 2014-09, “Revenue from Contracts with Consumers (Topic 606),” or ASC 606, which superseded nearly all existing revenue recognition guidance, and in February 2016, the FASB issued ASU

No. 2016-02, "Leases (Topic 842)," or ASC 842, which increased lease transparency and comparability among organizations. It is difficult to predict the impact of future changes to accounting principles or our accounting policies, any of which could adversely affect our reported results of operations.

Operating as a public company requires us to incur substantial costs and requires substantial management attention. In addition, key members of our management team have limited experience managing a public company.

As a public company, we will incur substantial legal, accounting, and other expenses that we did not incur as a private company. For example, we are subject to the reporting requirements of the Exchange Act, the applicable requirements of the Sarbanes-Oxley Act, the Dodd-Frank Act, the rules and regulations of the SEC, and the listing standards of the New York Stock Exchange. For example, the Exchange Act requires, among other things, we file annual, quarterly, and current reports with respect to our business, financial condition, and results of operations. Compliance with these rules and regulations will increase our legal and financial compliance costs, and increase demand on our systems, particularly after we are no longer an emerging growth company. In addition, as a public company, we may be subject to stockholder activism, which can lead to additional substantial costs, distract management, and impact the manner in which we operate our business in ways we cannot currently anticipate. As a result of disclosure of information in this prospectus and in filings required of a public company, our business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors.

Many members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, and our business, financial condition, and results of operations could be adversely affected.

Risks Related to Our Legal and Regulatory Environment

We may be subject to claims, lawsuits, government investigations, and other proceedings that may adversely affect our business, financial condition, and results of operations.

We face potential liability, expenses for legal claims, and harm to our business relating to the nature of our business generally, and with the lending and financial services we enable. We, or our partners, vendors, or other service providers, may be subject to claims, lawsuits, arbitration proceedings, government investigations and other legal, regulatory and other administrative proceedings in the ordinary course of business, including those involving compliance with regulatory requirements, personal injury, property damage, worker classification, labor and employment, anti-discrimination, commercial disputes, competition, consumer complaints, intellectual property disputes, and other matters, and we may become subject to additional types of claims, lawsuits, government investigations and legal or regulatory proceedings as our business grows and as we deploy new services.

In addition, a number of participants in the consumer financial and real estate settlement services industries have been the subject of putative class action lawsuits, state attorney general actions, other state regulatory actions, and federal regulatory enforcement actions, including actions relating to alleged unfair, deceptive, or abusive acts or practices, violations of state licensing and disclosure laws and actions alleging discrimination on the basis of race, ethnicity, gender, or other prohibited bases. The current regulatory environment, increased regulatory compliance efforts, and enhanced regulatory

enforcement have resulted in us undertaking significant time-consuming and expensive operational and compliance efforts, which may delay or preclude our ability to provide certain new products and services to our customers and/or delay adoption of new products and services by our customers. There is no assurance that these regulatory matters or other factors will not, in the future, affect how we conduct our business and, in turn, have an adverse effect on our business, financial condition, and results of operations. In particular, legal proceedings brought under state consumer protection statutes or under several of the various federal consumer financial services statutes may result in a separate fine assessed for each statutory and regulatory violation or substantial damages from class action lawsuits, potentially in excess of the amounts we earned from the underlying activities.

The results of any such claims, lawsuits, arbitration proceedings, government investigations or other legal or regulatory proceedings cannot be predicted with any degree of certainty. Any claims against us, or our partners, vendors, or other service providers, whether meritorious or not, could be time-consuming, result in costly litigation, be harmful to our reputation, subject us to adverse media coverage, require significant management attention and divert significant resources. Determining reserves for pending litigation is a complex and fact-intensive process that requires significant subjective judgment and speculation. It is possible that a resolution of one or more such proceedings could result in substantial damages, settlement costs, fines and penalties that could adversely affect our business, financial condition and results of operations. These proceedings, including those involving our partners, vendors, and other third parties, could also result in harm to our reputation and brand, sanctions, consent decrees, injunctions or other orders requiring a change in our business practices. Any of these consequences could adversely affect our business, results of operations and financial condition. Furthermore, under certain circumstances, we have contractual and other legal obligations to indemnify and to incur legal expenses on behalf of our business and partners and current and former directors and officers.

We also include arbitration and class action waiver provisions in our terms of service with many of our consumers. These provisions are intended to streamline the litigation process for all parties involved, as they can in some cases be faster and less costly than litigating disputes in state or federal court. However, arbitration can be costly and burdensome, and the use of arbitration and class action waiver provisions subjects us to certain risks to our reputation and brand, as these provisions have been the subject of increasing public scrutiny. In order to minimize these risks to our reputation and brand, we may limit our use of arbitration and class action waiver provisions or be required to do so in a legal or regulatory proceeding, either of which could cause an increase in our litigation costs and exposure.

Further, with the potential for conflicting rules regarding the scope and enforceability of arbitration and class action waivers on a state-by-state basis, as well as between state and federal law, there is a risk that some or all of our arbitration and class action waiver provisions could be subject to challenge or may need to be revised to exempt certain categories of protection. The enforceability of arbitration and class action waiver provisions has often been challenged, particularly recently, and if those challenges are successful, these provisions could be found to be unenforceable, in whole or in part, or specific claims could be required to be exempted. Any judicial decisions, legislation, or other rules or regulations that impair our ability to enter into and enforce our arbitration agreements and class action waivers could significantly increase our exposure to potentially costly lawsuits, our costs to litigate disputes, and the time involved in resolving such disputes, each of which could adversely affect our business, financial condition, and results of operations.

Our customers are, and in some cases we are or may be, subject to, and we facilitate compliance with, a variety of federal, state, and local laws, including those related to consumer protection and financial services.

Our customers and prospective customers are highly regulated and are generally required to comply with stringent regulations in connection with performing business functions that our products and

services address; we facilitate compliance with these regulatory requirements. While we currently operate our business in an effort to ensure our business itself is not subject to extensive regulation, there is a risk that certain regulations could become applicable to us, including as we expand the functionality of and services offered through the platform. In addition, we and our partners, vendors, and other service providers must comply with laws and regulatory regimes that apply to us directly and our partners, vendors, and other service providers indirectly, including through certain of our products, as a technology provider to financial services firms, and in areas such as privacy, data security and data protection, and our contractual relationships with our customers.

In particular, certain laws, regulations, and rules our customers are subject to, and we facilitate compliance with, include:

- the Truth in Lending Act, or TILA, and Regulation Z promulgated thereunder, and similar state laws, which require certain disclosures to borrowers regarding the terms and conditions of their loans and credit transactions, and require creditors to comply with certain lending practice restrictions as well as the TILA-RESPA Integrated Disclosure rule, or TRID, which imposes specific requirements around the collection of information, charging of fees, and disclosure of specific loan terms and costs upon receipt of an application for credit;
- the Real Estate Settlement Procedures Act, or RESPA, and Regulation X, which require certain disclosures to be made to the borrower at application, as to the financial services firm's good faith estimate of loan origination costs, and at closing with respect to the real estate settlement statement; prohibits giving or accepting any fee, kickback or a thing of value for the referral of real estate settlement services or accepting a portion or split of a settlement fee other than for services actually provided; for affiliated business relationships, prohibits receiving anything other than a legitimate return on ownership, requiring use of an affiliate, and failing to provide a disclosure of the affiliate relationship;
- the Equal Credit Opportunity Act, or ECOA, and Regulation B promulgated thereunder, and similar state fair lending laws, which prohibit creditors from discouraging or discriminating against credit applicants on the basis of race, color, sex, age, religion, national origin, marital status, the fact that all or part of the applicant's income derives from any public assistance program or the fact that the applicant has in good faith exercised any right under the federal Consumer Credit Protection Act;
- the Fair Credit Reporting Act, or FCRA, and Regulation V promulgated thereunder, impose certain obligations on consumer reporting agencies, users of consumer reports and those that furnish information to consumer reporting agencies, including obligations relating to obtaining consumer reports, marketing using consumer reports, taking adverse action on the basis of information from consumer reports and protecting the privacy and security of consumer reports and consumer report information;
- Section 5 of the Federal Trade Commission Act, or the FTC Act, which prohibits unfair and deceptive acts or practices in or affecting commerce, and Section 1031 of the Dodd-Frank Act, which prohibits unfair, deceptive or abusive acts or practices in connection with any consumer financial product or service, and analogous state laws prohibiting unfair, deceptive or abusive acts or practices;
- the Gramm-Leach-Bliley Act, or GLBA, and Regulation P promulgated thereunder, which include limitations on financial services firms' disclosure of nonpublic personal information about a consumer to nonaffiliated third parties, in certain circumstances requires financial services firms to limit the use and further disclosure of nonpublic personal information by nonaffiliated third parties to whom they disclose such information, and requires financial services firms to disclose certain privacy notices and practices with respect to information sharing with affiliated and unaffiliated entities as well as to safeguard personal borrower information, and other privacy laws and regulations;

- the Electronic Fund Transfer Act, or EFTA, and Regulation E promulgated thereunder, which provide guidelines and restrictions on the electronic transfer of funds from consumers' bank accounts, including requirements for overdraft services and a prohibition on a creditor requiring a consumer to repay a credit agreement in preauthorized (recurring) electronic fund transfers and disclosure and authorization requirements in connection with such transfers;
- the Homeowners Protection Act, or HPA, which requires certain disclosures and the cancellation or termination of mortgage insurance once certain equity levels are reached;
- the Home Mortgage Disclosure Act, or HMDA, and Regulation C, which require reporting of loan origination data, including the number of loan applications taken, approved, denied and withdrawn;
- the Fair Housing Act, or FHA, which prohibits discrimination in housing on the basis of race, sex, national origin, and certain other characteristics;
- the Secure and Fair Enforcement for Mortgage Licensing, or the SAFE Act, which imposes state licensing requirements on mortgage loan originators;
- state laws and regulations impose requirements related to unfair or deceptive business practices and consumer protection, as well as other state laws relating to privacy, information security, conduct in connection with data breaches;
- the Telephone Consumer Protection Act, or TCPA, and the regulations promulgated thereunder, which impose various consumer consent requirements and other restrictions in connection with telemarketing activity and other communication with consumers by phone, fax or text message, and which provide guidelines designed to safeguard consumer privacy in connection with such communications;
- the Federal Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003, or CAN-SPAM, and the Telemarketing Sales Rule, or TSR, and analogous state laws, which impose various restrictions on marketing conducted use of email, telephone, fax or text message;
- the Electronic Signatures in Global and National Commerce Act, or ESIGN Act, and similar state laws, particularly the Uniform Electronic Transactions Act, or UETA, which authorize the creation of legally binding and enforceable agreements utilizing electronic records and signatures and which require financial services firms to obtain a consumer's consent to electronically receive disclosures required under federal and state laws and regulations;
- the Americans with Disabilities Act, or ADA, which has been interpreted to include websites as "places of public accommodations" that must meet certain federal requirements related to access and use;
- the Right to Financial Privacy Act, or RFPA, and similar state laws enacted to provide the financial records of financial services firms' customers a reasonable amount of privacy from government scrutiny;
- the Bank Secrecy Act, or BSA, and the USA PATRIOT Act, which relate to compliance with anti-money laundering, borrower due diligence and record-keeping policies and procedures;
- the regulations promulgated by the Office of Foreign Assets Control, or OFAC, under the U.S. Treasury Department related to the administration and enforcement of sanctions against foreign jurisdictions and persons that threaten U.S. foreign policy and national security goals, primarily to prevent targeted jurisdictions and persons from accessing the U.S. financial system; and
- other state-specific and local laws and regulations.

In addition to the laws, regulations, and rules that apply to our customers, and that we facilitate compliance with, we, in our capacity as a service provider to financial services firms and as a provider of marketplace services directly to consumers, and our partners, vendors, and other service providers, may be deemed to be subject to certain laws, regulations, and rules through our relationships with our customers including RESPA, FCRA, FTC Act, GLBA, FHA, TCPA, CAN-SPAM, TSR, ESIGN Act, ADA, OFAC, and state-specific laws and regulations, including those that impose requirements related to unfair or deceptive business practices and consumer protection, as well as other state laws relating to privacy, information security, and conduct in connection with data breaches. We may also be examined on a periodic basis by various regulatory agencies and may be required to review certain of our partners, vendors, or other service providers. These potential examinations may lead to increased regulatory compliance efforts that are time-consuming and expensive operationally. Matters subject to review and examination by federal and state regulatory agencies and external auditors include our internal information technology controls in connection with our performance of services, the agreements giving rise to these activities, and the design of our platform. Any inability to satisfy these examinations and maintain compliance with applicable regulations could adversely affect our ability to conduct our business, including attracting and maintaining customers.

In addition, we are currently subject to a variety of, and may in the future become subject to, additional, federal, state, and local laws that are continuously changing, including laws related to: the real estate brokerage, title and settlement services, and property and casualty insurance industries; mobile- and internet-based businesses; and data security, advertising, privacy, and consumer protection. These laws can be costly to comply with, require significant management attention, and could subject us to claims, government enforcement actions, civil and criminal liability, or other remedies, including revocation of licenses and suspension of business operations.

Furthermore, federal and state officials are discussing various potential changes to laws and regulations that could impact us, including the reform of government-sponsored enterprises such as the Federal National Mortgage Association, or Fannie Mae, and the Federal Home Loan Mortgage Corporation, or Freddie Mac, and additional data privacy regulations, among others. Changes in these areas, generally in the regulatory environment in which we operate and our customers operate, could adversely impact the volume of mortgage originations in the United States and our competitive position and results of operations. In addition, in connection with the COVID-19 pandemic, certain parts of our title business have been deemed in most areas an essential business and have been permitted to operate. A change in this determination, particularly in jurisdictions where we generate a large portion of our revenues, could adversely impact us.

While we have developed policies and procedures designed to assist in compliance with these laws and regulations, no assurance can be given that our compliance policies and procedures will be effective. Compliance with these requirements is also costly, time-consuming and limits our operational flexibility. Additionally, Congress, the states and regulatory agencies, as well as local municipalities, could further regulate the consumer financial services and adjacent industries in ways that make it more difficult or costly for us to offer our platform and related services. These laws also are often subject to changes that could severely limit the operations of our business model. Further, changes in the regulatory application or judicial interpretation of the laws and regulations applicable to financial services firms also could impact the manner in which we conduct our business. The regulatory environment in which financial services firms operate has become increasingly complex, and following the financial crisis that began in 2008, supervisory efforts to apply relevant laws, regulations and policies have become more intense. For example, California has enacted legislation to create a “mini-CFPB,” which could strengthen state consumer protection authority of state regulators over unfair, deceptive, or abusive acts and practices. Nevertheless, if we or our partners, vendors or other service providers are found to not comply with applicable laws, we could become subject to greater scrutiny by federal and state regulatory agencies, or face other sanctions, which may have an adverse effect on

our ability to continue to provide our services or make our platform available in particular states, or utilize the services of third-party providers, which may harm our business. In addition, non-compliance could subject us to damages, class action lawsuits, administrative enforcement actions, rescission rights held by investors in securities offerings and civil and criminal liability, all of which would adversely affect our business, financial condition, and results of operations.

Changes in laws or regulations relating to privacy, data protection, or the protection or transfer of personal information, or any actual or perceived failure by us to comply with such laws and regulations or any other obligations relating to privacy, data protection, or the protection or transfer of personal information, could adversely affect our business.

We, and our partners, vendors, and other service providers, receive, collect, use, disclose, transmit, and store a large volume of personally identifiable information and other sensitive data relating to individuals, such as consumers and our employees. Our collection, use, receipt, and other processing of data in our business subjects us to numerous state and federal laws and regulations, addressing privacy, data protection, and the collection, storing, sharing, use, transfer, disclosure, protection, and processing of certain types of data. Such regulations include, for example, the GLBA, Children's Online Privacy Protection Act, Personal Information Protection and Electronic Documents Act, CAN-SPAM, Canada's Anti-Spam Law, TCPA, FCRA, FTC Act, and California Consumer Privacy Act, or CCPA. These laws, rules, and regulations evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation, and changes in interpretation or enforcement, and may be inconsistent from one jurisdiction to another.

For example, the Federal Trade Commission, or the FTC, has announced a Notice of Proposed Rulemaking relating to proposed amendments to the GLBA's Safeguards Rule, which requires financial services firms, like our customers, to develop, implement, and maintain a comprehensive information security program. The proposed amendments provide more prescriptive security controls that financial services firms would be required to implement, such as specific access and authentication controls, risk assessment requirements, and oversight by appointment of a Chief Information Security Officer who would be required to provide annual written reports to the board of directors. In addition, the FTC has brought enforcement actions against service providers of financial services firms directly and against financial services firms for failures by service providers to implement appropriate controls to safeguard consumers' personal information.

As another example, the CCPA went into effect on January 1, 2020, and, among other things, requires new disclosures to California consumers and affords such consumers new data privacy rights, including, among other things, the right to request a copy from a covered company of the personal information collected about them, the right to request deletion of such personal information, and the right to opt out of certain sales of personal information. The California Attorney General can enforce the CCPA, including seeking an injunction and civil penalties of up to $7,500 per violation. The CCPA also provides a private right of action for certain data breaches that is expected to increase data breach litigation. Additionally, a new privacy law, the California Privacy Rights Act, or CPRA, was approved by California voters in the November 3, 2020 election, and significantly modifies the CCPA, including expanding California consumers' rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts. The CPRA creates obligations relating to consumer data beginning on January 1, 2022, with implementing regulations expected on or before July 1, 2022, and enforcement beginning July 1, 2023. Some observers have noted the CCPA and CPRA could mark the beginning of a trend toward more stringent privacy legislation in the United States, which could also increase our potential liability and adversely affect our business. For example, the CCPA has encouraged "copycat" or other similar laws to be considered and proposed in other states across the country, such as in Virginia, New Hampshire, Illinois and Nebraska. On March 2, 2021, Virginia enacted the Virginia Consumer Data Protection Act, or CDPA, a

comprehensive privacy statute that becomes effective on January 1, 2023 and shares similarities with the CCPA, CPRA, and legislation proposed in other states.

The CCPA, CPRA, CDPA, and other changes in laws or regulations relating to privacy, data protection, and information security, particularly any new or modified laws or regulations, or changes to the interpretation or enforcement of laws or regulations like the GLBA, that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer, or disclosure, could greatly increase the cost of providing our platform, require significant changes to our operations, or even prevent us from providing our platform in jurisdictions in which we currently operate and in which we may operate in the future. Certain other state laws impose similar privacy obligations and we also expect that more states may enact legislation similar to the CCPA, CPRA, and CDPA, which provide consumers with new privacy rights and increase the privacy and security obligations of entities handling certain personal information of such consumers. The CCPA has prompted a number of proposals for new federal and state-level privacy legislation. Such proposed legislation, if enacted, may add additional complexity, variation in requirements, restrictions, and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data, and could result in increased compliance costs and/or changes in business practices and policies. In addition, some jurisdictions, such as New York, Massachusetts, and Nevada have enacted more generalized data security laws that apply to certain data that we process. We cannot yet fully determine the impact these or future laws, rules, regulations, and industry standards may have on our business or operations. Any such laws, rules, regulations, and industry standards may be inconsistent among different jurisdictions, subject to differing interpretations, or may conflict with our current or future practices. Additionally, our customers may be subject to differing privacy laws, rules, and legislation, which may mean that they require us to be bound by varying contractual requirements applicable to certain other jurisdictions. Adherence to such contractual requirements may impact our collection, use, processing, storage, sharing, and disclosure of various types of information including financial information and other personal information, and may mean we become bound by, or voluntarily comply with, self-regulatory or other industry standards relating to these matters that may further change as laws, rules, and regulations evolve. Complying with these requirements and changing our policies and practices may be onerous and costly, and we may not be able to respond quickly or effectively to regulatory, legislative and other developments. These changes may in turn impair our ability to offer our existing or planned products and services and/or increase our cost of doing business.

Additionally, we have incurred, and may continue to incur, significant expenses in an effort to comply with privacy, data protection, and information security standards and protocols imposed by law, regulation, industry standards, or contractual obligations. In particular, with laws and regulations such as the GLBA, CCPA, CPRA, CDPA, and potentially other laws and regulations that may be proposed or amended, imposing new and relatively burdensome obligations, and with substantial uncertainty over the interpretation and application of these and other laws and regulations, we may face challenges in addressing their requirements and making necessary changes to our policies and practices and may incur significant costs and expenses in an effort to do so.

As our business grows, we may become subject to privacy and data security laws from other jurisdictions outside of the United States, potentially including the General Data Protection Regulation, or the GDPR. The GDPR governs the collection, use, disclosure, transfer or other processing of personal data of European persons. Among other things, the GDPR imposes requirements regarding the security of personal data and notification of data processing obligations to competent national data processing authorities, provides for lawful bases on which personal data can be processed, provides for an expansive definition of personal data and requires changes to informed consent practices. In addition, the GDPR provides for heightened scrutiny of transfers of personal data from the European Economic Area, or EEA, to the United States and other jurisdictions that the European Commission

does not recognize as having "adequate" data protection laws, and imposes substantial fines for breaches and violations (up to the greater of €20 million or 4% of an enterprise's consolidated annual worldwide gross revenue). The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies and obtain compensation for damages resulting from violations. If we expand our business into Europe and/or the United Kingdom, which has enacted data protection laws substantially implementing the GDPR, we will need to comply with the GDPR and data protection laws of the United Kingdom. This will involve significant resources and expense and may also impair our ability to offer our existing or planned features, products and services and/or increase our cost of doing business.

Despite our efforts to comply with applicable laws, regulations, and other obligations relating to privacy, data protection, and information security, it is possible that our interpretations of the law, practices, or platform could be inconsistent with, or fail or be alleged to fail to meet all requirements of, such laws, regulations, or obligations. Our failure, or the failure by our partners, vendors, service providers, or customers, to comply with applicable laws or regulations or any other obligations relating to privacy, data protection, or information security, or any compromise of security that results in unauthorized access to, or use or release of personal information or other data relating to consumers or other individuals, or the perception that any of the foregoing types of failure or compromise has occurred, could damage our reputation, discourage new and existing customers and consumers from using our platform, or result in fines, investigations, or proceedings by governmental agencies and private claims and litigation, any of which could adversely affect our business, financial condition, and results of operations. Even if not subject to legal challenge, the perception of privacy concerns, whether or not valid, may harm our reputation and brand and adversely affect our business, financial condition, and results of operations.

A heightened regulatory environment in the financial services industry may have an adverse impact on our customers and our business.

Since the enactment of the Dodd-Frank Act, a number of substantial regulations affecting the supervision and operation of the financial services industry within the United States have been adopted, including those that establish the Consumer Financial Protection Bureau, or the CFPB. The CFPB has issued guidance that applies to, and conducts direct examinations of, "supervised banks and nonbanks" as well as "supervised service providers" like us. In addition, the CFPB regulates consumer financial products and services. Certain of our partners are also subject to regulation by federal and state authorities and, as a result, could pass through some of those compliance obligations to us.

To the extent this oversight or regulation negatively impacts our customers, our business, financial condition, and results of operations could be adversely affected because, among other matters, our customers could have less capacity to purchase products and services from us, could decide to avoid or abandon certain lines of business, or could seek to pass on increased costs to us by re-negotiating their agreements with us. Additional regulation, examination, and oversight of us could require us to modify the manner in which we contract with or provide products and services to our customers, directly or indirectly limit how much we can charge for our products and services, require us to invest additional time and resources to comply with such oversight and regulations, or limit our ability to update our existing products and services, or require us to develop new ones. Any of these events, if realized, could adversely affect our business, financial condition, and results of operations.

Failure to obtain or maintain state licenses or other regulatory infractions resulting in license revocation could impact our ability to offer products and services.

Our ability to obtain or maintain state licenses for the services offered through our platform, including for our property and casualty insurance agency, title insurance agency, and real estate brokerage

business, depends on our ability to meet licensing requirements established by the applicable regulatory agency and adopted by each state, subject to variations across states. In addition, as we expand the functionality of and services offered through the platform, or if a regulator determines that the services offered through the platform require licensing, we may be required to obtain additional licensing and incur additional costs. If we are unable to satisfy the applicable licensing requirements of any particular state, we could lose our license to do business in such state, which would result in the temporary or permanent cessation of our operations in that state. Alternatively, if we are unable to satisfy, or if a regulator determines that we have not satisfied, applicable state licensing requirements, we may be subject to additional regulatory oversight, have our license suspended or may incur additional costs or regulatory infractions. Any such events could adversely affect our business, financial condition, and results of operations.

Regulation of title insurance rates and relationships with insurance underwriters could adversely affect our title insurance business.

We are subject to extensive rate regulation by the applicable state agencies in the jurisdictions in which our title insurance agency operates. Title insurance rates are regulated differently in various states, with some states requiring us to file and receive approval of rates before such rates become effective and some states promulgating the rates that can be charged. These regulations could hinder our ability to promptly adapt to changing market dynamics through price adjustments, which could adversely affect our business, financial condition, and results of operations, particularly in a rapidly declining market.

Further, we derive a significant portion of our commission revenue from a limited number of insurance underwriters, the loss of which would result in additional expense and loss of market share. If we lose our relationships with insurance underwriters, fail to maintain good relationships with insurance underwriters, become dependent upon a limited number of insurance underwriters, or fail to develop new insurance underwriter relationships, our business, financial condition, and results of operations could be adversely affected.

Our position as an agent utilizing partners, vendors, and other service providers for issuing a significant amount of title and property and casualty insurance policies could adversely affect the frequency and severity of claims.

In our position as a licensed insurance agent, we may perform the search and examination function for policies we issue on behalf of underwriters or we may purchase a search product from another partner, vendor, or service provider. In either case, we are responsible for ensuring that the search and examination is completed. Our relationship with each title and property and casualty insurance underwriter is governed by an agency agreement defining how an insurance policy is issued on their behalf. The agency agreement also sets forth our liability to the underwriter for policy losses attributable to our errors. Periodic audits by our underwriters are also conducted. Despite our efforts to monitor partners, vendors, and other service providers with whom we transact business, there is no guarantee that they will comply with their contractual obligations. Furthermore, we cannot be certain that, due to changes in the regulatory environment and litigation trends, we will not be held liable for errors and omissions by these vendors. Accordingly, our use of partners, vendors, and other service providers could adversely impact the frequency and severity of claims, and any such impact could adversely affect our business, financial condition, and results of operations.

We and our insurance carriers and underwriters are subject to extensive insurance industry regulations.

In the United States, each state regulator retains the authority to license insurance agencies in their states, and an insurance agency generally may not operate in a state in which it is not licensed.

Accordingly, we are not permitted to sell insurance to residents of states and territories of the United States in which we are not licensed.

Employees who engage in the solicitation, negotiation, or sale of insurance, or provide certain other insurance services, generally are required to be licensed individually. Insurance, including related laws and regulations, govern whether licensees may share commissions with unlicensed entities and individuals and, in the context of real estate settlement transactions, such payments are also subject to RESPA restrictions as it relates to splitting or sharing settlement service fees. We believe that any payments we make to third parties are in compliance with applicable laws. However, should any regulatory agency take a contrary position and prevail, we will be required to change the manner in which we pay fees to such employees or principals or require entities receiving such payments to become registered or licensed.

Our insurance products are subject to extensive regulation and supervision in the states in which we transact business by the individual state insurance departments. This regulation is generally designed to protect the interests of consumers, and not necessarily the interests of insurers or agents, their shareholders or other investors. For example, state insurance laws are generally prescriptive with respect to the content and timeliness of notices we must provide policyholders. States have also adopted legislation defining and prohibiting unfair methods of competition and unfair or deceptive acts and practices in the business of insurance that may apply to insurance agencies. Noncompliance with any of such state statutes may subject us to regulatory action by the relevant state insurance regulator, and, in certain states, private litigation. In addition, we cannot predict the impact that any new laws, rules or regulations may have on our business and financial results. States also regulate various aspects of the contractual relationships between insurers and independent agents. The California Department of Insurance, the insurance regulatory authority in the State of California, as well as the insurance regulators of other states in which we are licensed to sell insurance may also conduct periodic examinations. The results of these examinations can give rise to regulatory orders requiring remedial, injunctive, or other corrective action.

Although state insurance regulators have primary responsibility for administering and enforcing insurance regulations in the United States, such laws and regulations are further administered and enforced by a number of additional governmental authorities, each of which exercises a degree of interpretive latitude, including state securities administrators, state attorneys general as well as federal agencies including the Federal Reserve Board, the Federal Insurance Office and the U.S. Department of Justice. Consequently, compliance with any particular regulator's or enforcement authority's interpretation of a legal issue may not result in compliance with another's interpretation of the same issue, particularly when compliance is judged in hindsight.

We may be subject to restrictions, actions and claims relating to the advertising, marketing and sale of insurance, including the suitability of such products and services. Actions and claims may result in the rescission of such sales; consequently, insurance carriers may seek to recoup commissions paid to us, which may lead to legal action against us. The outcome of such restrictions or actions cannot be predicted and such restrictions, claims or actions could have a material adverse effect on our business, financial condition and results of operations.

Additionally, regulations affecting insurance carriers and underwriters with which we place business may affect how we conduct our operations. Insurers are also regulated by state insurance departments for solvency issues and are subject to reserve requirements. We cannot guarantee that all insurance carriers and underwriters with whom we do business comply with regulations instituted by state insurance departments. We may need to expend resources to address questions or concerns regarding our relationships with these insurers and underwriters, diverting management resources away from operating our business, which could adversely affect our business, financial condition, and results of operations.

The CFPB is a relatively new agency that has sometimes taken expansive views of its authority to regulate consumer financial services, creating uncertainty as to how the agency's actions or the actions of any other new agency could adversely affect our business, financial condition, and results of operations.

The CFPB, which commenced operations in July 2011, has broad authority to create and modify regulations under federal consumer financial protection laws and regulations, such as TILA and Regulation Z, ECOA and Regulation B, FCRA and Regulation V, the EFTA and Regulation E, among other regulations, and to enforce compliance with those laws. The CFPB supervises banks, thrifts, and credit unions with assets over $10 billion and examines certain of our customers. Further, the CFPB is charged with the examination and supervision of certain participants in the consumer financial services market, including larger participants in other areas of financial services. The CFPB is also authorized to prevent "unfair, deceptive or abusive acts or practices" through its rulemaking, supervisory, and enforcement authority. To assist in its enforcement, the CFPB maintains an online complaint system that allows consumers to log complaints with respect to various consumer finance products. This system could inform future CFPB decisions with respect to its regulatory, enforcement or examination focus. The CFPB may also request reports concerning our organization, business conduct, markets and activities and conduct on-site examinations of our business on a periodic basis if the CFPB were to determine, through its complaint system, that we were engaging in activities that pose risks to consumers.

Although we have committed resources to enhancing our compliance programs, actions by the CFPB (or other regulators) against us, our customers or our competitors could discourage the use of our services or those of our customers, which could result in reputational harm, a loss of customers, or discourage the use of our or their services and adversely affect our business. If the CFPB changes regulations that were adopted in the past by other regulators and transferred to the CFPB by the Dodd-Frank Act, or modifies through supervision or enforcement, past regulatory guidance or interprets existing regulations in a different or stricter manner than they have been interpreted in the past by us, the industry or other regulators, our compliance costs and litigation exposure could increase materially. If the CFPB, or another regulator, were to issue a consent decree or other similar order against us, this could also directly or indirectly adversely affect our business, financial condition, and results of operations.

Our compliance and operational costs and litigation exposure could increase if and when the CFPB amends or finalizes any proposed regulations, including the regulations discussed above or if the CFPB or other regulators enact new regulations, change regulations that were previously adopted, modify, through supervision or enforcement, past regulatory guidance, or interpret existing regulations in a manner different or stricter than have been previously interpreted.

Our business could be adversely impacted by changes in the Internet and mobile device accessibility of consumers, and our software platform's failure to comply with existing or future laws governing the Internet and mobile devices.

Our business depends on consumers' access to our platform via the Internet and/or a mobile device. We may operate in jurisdictions that provide limited Internet connectivity, particularly if we expand internationally. Internet access and access to a mobile device are frequently provided by companies with significant market power that could take actions that degrade, disrupt, or increase the cost of consumers' ability to access our platform. In addition, the Internet infrastructure that we and users of our platform rely on in any particular geographic area may be unable to support the demands placed upon it. Any such failure in Internet or mobile device accessibility, even for a short period of time, could adversely affect our business, financial condition, and results of operations.

Moreover, the application of laws and regulations to online platforms is constantly evolving. Existing and future laws and regulations, or changes thereto, may impede the growth and availability of the Internet and online offerings, require us to change our business practices, or raise compliance costs or other costs of doing business. These laws and regulations, which continue to evolve, cover consumer protection, advertising practices and provision of disclosures, among other things. Any failure, or perceived failure, by us, or our software platform, as applicable, to comply with any of these laws or regulations could result in damage to our reputation and brand a loss in business and proceedings or actions against us by governmental entities or others, which could adversely affect our business, financial condition, and results of operations.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement, data protection and other losses.

Our agreements with customers and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, data protection, damages caused by us to property or persons, or other liabilities relating to or arising from our platform, services, or other contractual obligations. Some of these indemnity agreements provide for uncapped liability for which we would be responsible, and some indemnity provisions survive termination or expiration of the applicable agreement. We also cannot be certain that any provisions in these agreements relating to limitations of liability would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular claim. Large indemnity payments could adversely affect our business, financial condition, and results of operations. Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed. We generally contractually limit our liability with respect to such obligations, but we may still incur substantial liability related to such obligations and we may be required to cease use of certain functions of our platform or services as a result of any such claims. Any dispute with a customer or third party with respect to such obligations could harm our relationship with that customer or third party, as well as other existing customers and new customers, and adversely affect our business, financial condition and results of operations.

We are subject to various U.S. and international anti-corruption laws and other anti-bribery and anti-kickback laws and regulations.

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, or FCPA, and other anti-corruption, and anti-bribery laws in the jurisdictions in which we do business, both domestic and abroad. These laws generally prohibit us and our employees from improperly influencing government officials or commercial parties in order to obtain or retain business, direct business to any person, or gain any improper advantage. The FCPA and other applicable anti-bribery and anti-corruption laws also may hold us liable for acts of corruption and bribery committed by our partners, representatives, and agents who are acting on our behalf. We and our partners, representatives, and agents may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of these partners and intermediaries and our employees, representatives, contractors, and agents, even if we do not explicitly authorize such activities. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies and procedures to address compliance with such laws, we cannot assure you that our employees and agents will not take actions in violation of our policies or applicable law, for which we may be ultimately held responsible, and our exposure for violating these laws increases as our international presence expands and as we increase sales and operations in foreign jurisdictions.

Any violation of the FCPA or other applicable anti-bribery, and anti-corruption laws could result in whistleblower complaints, adverse media coverage, investigations, imposition of significant legal fees,

loss of export privileges, severe criminal or civil sanctions, or suspension or debarment from U.S. government contracts, substantial diversion of management's attention, a drop in our stock price, or overall adverse consequences to our business, all of which may have an adverse effect on our reputation, business, financial condition, and results of operations.

Taxing authorities may successfully assert that we have not properly collected or remitted, or in the future should collect or remit, sales and use, gross receipts, value added, or similar taxes or withholding taxes, and may successfully impose additional obligations on us, and any such assessments, obligations, or inaccuracies could adversely affect our business, financial condition, and results of operations.

The application of indirect taxes, such as sales and use tax, value-added tax, goods and services tax, business tax and gross receipts tax, to platform businesses is a complex and evolving issue. Many of the fundamental statutes and regulations that impose these taxes were established before the adoption and growth of the Internet and e-commerce. Significant judgment is required on an ongoing basis to evaluate applicable tax obligations and as a result amounts recorded are estimates and are subject to adjustments. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business. In addition, governments are increasingly looking for ways to increase revenue, which has resulted in discussions about tax reform and other legislative action to increase tax revenue, including through indirect taxes.

We may face various indirect tax audits in various U.S. jurisdictions. In certain jurisdictions, we collect and remit indirect taxes. However, tax authorities may raise questions about or challenge or disagree with our calculation, reporting or collection of taxes and may require us to collect taxes in jurisdictions in which we do not currently do so or to remit additional taxes and interest, and could impose associated penalties and fees. For example, after the U.S. Supreme Court decision in *South Dakota v. Wayfair Inc.*, certain states have adopted, or started to enforce, laws that may require the calculation, collection and remittance of taxes on sales in their jurisdictions, even if we do not have a physical presence in such jurisdictions. A successful assertion by one or more tax authorities requiring us to collect taxes in jurisdictions in which we do not currently do so or to collect additional taxes in a jurisdiction in which we currently collect taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest, could harm our business, financial condition, and results of operations.

As a result of these and other factors, the ultimate amount of tax obligations owed may differ from the amounts recorded in our financial statements and any such difference may adversely impact our results of operations in future periods in which we change our estimates of our tax obligations or in which the ultimate tax outcome is determined.

Changes in, or interpretations of, U.S. and international tax laws and regulations could have a material adverse effect on our business, financial condition and results of operations.

The tax regimes we are subject to or operate under are unsettled and may be subject to significant change. Changes in tax laws (including in response to the COVID-19 pandemic) or tax rulings, or changes in interpretations of existing laws, could cause us to be subject to additional income-based taxes and non-income taxes (such as payroll, sales, use, value-added, digital tax, net worth, property, and goods and services taxes), which in turn could materially affect our financial position and results of operations. Additionally, new, changed, modified, or newly interpreted or applied tax laws could increase our customers' and our compliance, operating and other costs, as well as the costs of our products. As we expand the scale of our business activities, any changes in the U.S. and international taxation of such activities may increase our effective tax rate and harm our business, financial condition, and results of operations.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

As of December 31, 2020, we had net operating loss carryforwards, or NOLs, for federal and state income tax purposes of approximately $252.7 million and $145.9 million, respectively, available to reduce future taxable income. The federal net operating losses generated before 2018 will begin to expire in 2032. The federal net operating losses generated in and after 2018 may be carried forward indefinitely. The expiration of state NOL carryforwards vary by state and begin to expire in 2024. Further, as of December 31, 2020, we had research and development tax credits carryforwards for federal and state income tax purposes of approximately $7.6 million and $6.5 million, respectively, available to reduce future tax liabilities. Federal research and development tax credits will begin to expire in 2033 and the state research and development tax credits can be carried forward indefinitely. It is possible that we will not generate taxable income in time to use NOLs before their expiration, or at all. Under Section 382 and Section 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change NOLs and other tax attributes, including research and development tax credits, to offset its post-change income may be limited. In general, an "ownership change" will occur if there is a cumulative change in our ownership by "5 percent stockholders" that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. Our ability to use NOLs and other tax attributes to reduce future taxable income and liabilities may be subject to annual limitations as a result of prior ownership changes and ownership changes that may occur in the future (which may be outside our control).

Under the Tax Cuts and Jobs Act of 2017, or the Tax Act, as amended by the CARES Act, NOLs arising in tax years beginning after December 31, 2017 are subject to an 80% of taxable income limitation (as calculated before taking the NOLs into account) for tax years beginning after December 31, 2020. In addition, NOLs arising in tax years 2018, 2019, and 2020 are subject to a five-year carryback and indefinite carryforward, while NOLs arising in tax years beginning after December 31, 2020 also are subject to indefinite carryforward but cannot be carried back. Our NOLs may also be subject to limitations in other jurisdictions. For example, California recently enacted legislation suspending the use of NOLs for taxable years 2020, 2021, and 2022 for many taxpayers. In future years, if and when a net deferred tax asset is recognized related to our NOLs, the changes in the carryforward/carryback periods as well as the new limitation on use of NOLs may significantly impact our valuation allowance assessments for NOLs generated after December 31, 2017.

Risks Related to Our Proposed Acquisition

The Proposed Acquisition may not be completed on the anticipated timeline, or at all, and the failure to complete the Proposed Acquisition could adversely affect our business, financial condition, and results of operations, and the market price of our Class A common stock.

Each party's obligation to consummate the Proposed Acquisition is subject to customary closing conditions, as set out in the stock purchase agreement dated as of March 12, 2021 between us, Mr. Cooper Group Inc., and certain other parties, or the Purchase Agreement, including, among others, (i) the accuracy of (A) the fundamental representations and warranties of Mr. Cooper Group Inc., including certain of its subsidiaries and (B) the representations and warranties of Blend, in each case, subject to specified materiality qualifications, (ii) performance in all material respects by each of the parties of its covenants and agreements, (iii) the receipt of certain regulatory approvals, including those required under antitrust laws, (iv) the absence of (A) any law or order from any governmental entity prohibiting consummation of the Proposed Acquisition and (B) any pending lawsuit, claim, or legal action relating to the Proposed Acquisition that seeks to prohibit or restrict the Proposed Acquisition, (v) the delivery of certain ancillary agreements by each of the parties, (vi) the consummation of the sale

of a joint venture interest of Mr. Cooper Group Inc., (vii) the continued employment of certain employees (or their replacements) and at least 80% of the other employees of the Title365 business and (viii) the absence of a material adverse effect with respect to Title365 and its business on or after the date of the Purchase Agreement that is continuing as of immediately prior to the closing. There can be no assurance that all required approvals will be obtained or that all other closing conditions will otherwise be satisfied or waived, and, if all required approvals are obtained and all closing conditions are satisfied or waived, we can provide no assurance as to the terms, conditions and timing of such approvals or that the Proposed Acquisition will be completed in a timely manner or at all. Certain of the conditions to completion of the Proposed Acquisition are not within either our or Mr. Cooper Group Inc.'s control, and we cannot predict when or if these conditions will be satisfied or waived. Even if regulatory approval is obtained, it is possible conditions will be imposed that could result in a material delay in, or the abandonment of, the Proposed Acquisition or otherwise have an adverse effect on us. The closing of the Proposed Acquisition is also dependent on the accuracy of representations and warranties made in the Purchase Agreement (subject to customary materiality qualifiers and other customary exceptions) and the performance in all material respects by the parties of obligations imposed under the Purchase Agreement.

If the Proposed Acquisition is not completed within the expected timeframe, or at all, we may be subject to a number of material risks. For example, some costs related to the Proposed Acquisition must be paid whether or not the Proposed Acquisition is completed, and we have incurred, and will continue to incur, significant costs, expenses, and fees for professional services and other transaction costs in connection with the Proposed Acquisition, as well as the diversion of management and resources towards the Proposed Acquisition, for which we will have received little or no benefit if completion of the Proposed Acquisition does not occur. We may also experience negative reactions from our investors, employees, and customers.

If the Proposed Acquisition is not completed on the anticipated timeline, or at all, our business, financial condition, results of operations, and the market price of our Class A common stock could be adversely affected.

Integrating Title365 with our business may be more difficult, costly, or time-consuming than expected, and we may not realize the expected benefits of the Proposed Acquisition, which may adversely affect our business, financial condition, and results of operations.

If we experience greater than anticipated costs to integrate, or are not able to successfully integrate, Title365 into our existing operations, we may not be able to achieve the anticipated benefits of the Proposed Acquisition, including cost savings and other synergies and growth opportunities. Even if the integration of Title365's business is successful, we may not realize all of the anticipated benefits of the Proposed Acquisition during the anticipated time frame, or at all. For example, events outside our control, such as changes in regulation and laws, as well as economic trends, including as a result of the COVID-19 pandemic, could adversely affect our ability to realize the expected benefits from this Proposed Acquisition.

An inability to realize the full extent of the anticipated benefits of the Proposed Acquisition, as well as any delays encountered in the integration process, could have an adverse effect upon our revenue, level of expenses, and results of operations. In addition, it is possible that the integration process could result in the loss of key employees, errors or delays in the implementation of shared services, the disruption of our ongoing business, or inconsistencies in standards, controls, procedures, and policies that may adversely affect our ability to maintain relationships with other employees and customers or to achieve the anticipated benefits of the Proposed Acquisition. Integration efforts also may divert management attention and resources.

For all of these reasons, we may not be able to achieve the anticipated benefits of the Proposed Acquisition, which could adversely affect our business, financial condition, and results of operations, and could cause the price of our Class A common stock to decline.

We have incurred, and will continue to incur, significant transaction costs and integration costs in connection with the Proposed Acquisition.

We have incurred, and will continue to incur, significant costs, expenses, and fees, including fees for professional services and other transaction costs, in connection with the Proposed Acquisition, including costs that we may not currently anticipate. We must pay many of these costs and expenses whether or not the transaction is completed. In addition, we expect to incur significant integration costs after the closing of the Proposed Acquisition. There are a number of factors beyond our control that could affect the total amount or the timing of these costs and expenses.

Title365 may have liabilities that are not known to us.

Title365 may have liabilities that we failed, or were unable, to discover in the course of performing our due diligence investigations in connection with the Proposed Acquisition. Following the completion of the Proposed Acquisition, we may learn additional information about Title365 that materially and adversely affects us and Title365, such as unknown or contingent liabilities and liabilities related to compliance with applicable laws. Any such liabilities, individually or in the aggregate, could have an adverse effect on our business, financial condition, and results of operations.

We are relying on the availability of financing under a commitment letter for debt financing, or alternative financing, to fund a portion of the purchase price for the Proposed Acquisition.

We plan to finance a portion of the aggregate purchase price for the Proposed Acquisition. In connection with the Proposed Acquisition, we entered into a commitment letter for the Facilities, the terms of which are expected to be finalized on or prior to the closing of the Proposed Acquisition. The obligations of the lenders under the commitment letter are subject to certain conditions, which may not be satisfied or waived. We currently expect to pay up to $225 million of the cash consideration for the Proposed Acquisition with proceeds from the Facilities. There can be no guarantee that we will be able to close the Facilities or any alternative financing arrangements on commercially reasonable terms or at all. If the Facilities are not available, and alternative financing cannot be secured, we may not be able to pay the cash consideration for the Proposed Acquisition, in which case the Proposed Acquisition would not be completed.

We expect to incur substantial indebtedness under the Facilities, the cost of servicing that debt could adversely affect our business, financial condition, and results of operation, and we may not be able in the future to service that debt.

Our ability to make scheduled payments on or to refinance our obligations under the Facilities or any alternative debt financing arrangements will depend on our financial and operating performance, which will be affected by economic, financial, competitive, business, and other factors, some or all of which are beyond our control. The indebtedness we expect to incur in connection with the Proposed Acquisition will require us to dedicate a portion of our cash flow to servicing this debt, thereby reducing the availability of cash to fund other business initiatives. There can be no assurance that our business will generate sufficient cash flow from operations to service our indebtedness or to fund our other liquidity needs. If we are unable to meet our debt obligations or fund our other liquidity needs, we may need to restructure or refinance all or a portion of our indebtedness on or before maturity or sell certain of our assets. There can be no assurance that we will be able to restructure or refinance any of our indebtedness on commercially reasonable terms, if at all, which could cause us to default on our debt

obligations and impair our liquidity. In addition, upon the occurrence of certain events, such as a change in control, we could be required to repay or refinance our indebtedness. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. If we are unable to generate or borrow sufficient cash to make payments on our indebtedness, our business, financial condition, and results of operations could be adversely affected.

Adverse changes in economic conditions, especially those affecting the levels of real estate and mortgage activity, may reduce our revenue and earnings, which could adversely affect our business, financial condition, and results of operations.

Our business, financial condition, and results of operations are affected by changes in economic conditions, particularly mortgage interest rates, credit availability, real estate prices, and consumer confidence. Our revenue and earnings have fluctuated in the past due to the cyclical nature of the housing industry, and we expect them to fluctuate in the future.

The demand for our title and escrow offerings is dependent primarily on the volume of residential real estate transactions including, in particular, the number of refinances. The volume of these transactions historically has been influenced by such factors as mortgage interest rates, availability of financing, and the overall state of the economy. Typically, when interest rates are increasing or when the economy is experiencing a downturn, real estate activity declines. As a result, the real estate and title insurance industries tend to experience decreased revenue and earnings.

Our business, financial condition, and results of operations have been and may in the future be adversely affected by a decline in affordable real estate, real estate activity or the availability of financing alternatives. In addition, weakness or adverse changes in the level of real estate activity could have an adverse effect on our business, financial condition, and results of operations.

Our exposure to regulation and residential real estate transaction activity may be greater in California, where we source a significant proportion of our premiums.

A large portion of our title business revenue for the year ended December 31, 2020 originated from residential real estate transactions in California. As compared to our competitors who operate on a wider geographic scale or whose business is less concentrated in California, any adverse changes in the regulatory environment affecting title insurance and real estate settlement in California, which could include reductions in the maximum rates permitted to be charged, inadequate rate increases, or more fundamental changes in the design or implementation of the California title insurance regulatory framework, may expose us to more significant risks and our business, financial condition, and result of operations could be adversely affected.

In addition, to the extent residential real estate transaction volume in California changes significantly, whether due to changes in real estate values that differ from the overall U.S. real estate market, changes in the local economy relative to the U.S. economy, or natural disasters that disproportionately impact residential real estate activity in California, we could experience lower revenues and growth than historically observed or projected.

Failures at financial institutions at which we deposit funds could adversely affect us.

We deposit substantial funds in financial institutions. These funds include amounts owned by third parties, such as escrow deposits. Should one or more of the financial institutions at which deposits are maintained fail, there is no guarantee that we would recover the funds deposited, whether through Federal Deposit Insurance Corporation coverage or otherwise. In the event of any such failure, we also could be held liable for the funds owned by third parties.

Competition in the title insurance industry may adversely affect our business, financial condition, and results of operations.

Competition in the title insurance industry is intense, particularly with respect to price, service, and expertise. Larger commercial mortgage originators also look to the size and financial strength of a title insurance agency. Although we provide title and settlement services to large commercial customers and mortgage originators, there are many other title insurance agencies that have substantially greater gross revenue than we do and, if affiliated with a title insurance underwriter, could have significantly greater capital. Although we are not aware of any current initiatives to reduce regulatory barriers to entering our industry, any such reduction could result in new competitors, including financial institutions, entering the title insurance business. From time-to-time, new entrants enter the marketplace with alternative products to traditional title insurance, although many of these alternative products have been disallowed by title insurance regulators. Further, advances in technologies could, over time, significantly disrupt the traditional business model of financial services and real estate-related companies, including title insurance. These alternative products or disruptive technologies, if permitted by regulators, could adversely affect our business, financial condition, and results of operations.

Our success depends upon the real estate and title insurance industries continuing to adopt new products at their current pace and the continued growth and acceptance of digital products and services as effective enhancements and alternatives to traditional manual products and services.

We provide our title and escrow products through our platform that competes with traditional manual counterparts. We believe that the continued growth and acceptance of digital and instant experiences generally will depend, to a large extent, on the continued growth in commercial use of the internet and the continued migration of traditional offline markets and industries online.

The title and escrow process may not migrate to new technologies as quickly as (or at the levels that) we expect, and existing or future federal and state laws may prevent us from offering certain of our title and escrow products. For example, many states have enacted permanent remote online notarization, while others have issued emergency measures in response to COVID-19, and certain states do not allow remote notarization, and others may not enact permanent authorization for remote notarization, which may impact our ability to introduce our products in certain markets.

Furthermore, although consumers have a legal right to select their own title insurance provider, as well as all of their settlement service vendors, consumers regularly use the providers recommended by their advisor, which may be their real estate, loan officer or attorney. If consumer awareness of their right to select their own title insurance provider or settlement service vendors and/or if demand for online title and escrow products does not increase, our business, results of operations and financial condition could be adversely affected.

Moreover, if, for any reason, an unfavorable perception develops that digital experiences and/or automation are less efficacious than in-person closings or traditional offline methods of preparing closing disclosures, purchasing title insurance and other services, our business, results of operations and financial condition could be adversely affected.

Risks Related to Our Dependence on Third Parties

We primarily rely on Amazon Web Services to deliver our services to users on our platform, and any disruption of or interference with our use of Amazon Web Services could adversely affect our business, financial condition, and results of operations.

We currently host our platform and support our operations using data centers provided by Amazon Web Services, or AWS, a third-party provider of cloud infrastructure services. We do not have control over the operations of the facilities of AWS that we use. AWS' facilities are vulnerable to damage or interruption from natural disasters, cybersecurity attacks, terrorist attacks, power outages, infrastructure changes, human error, disruptions in telecommunications services, fraud, military or political conflicts, computer viruses, ransomware, malware, and similar events or acts of misconduct. Our platform's continuing and uninterrupted performance is critical to our success. We have experienced, and expect that in the future we will experience, interruptions, delays, and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions, and capacity constraints. In addition, any changes in AWS' service levels may adversely affect our ability to meet the requirements of users on our platform. Since our platform's continuing and uninterrupted performance is critical to our success, sustained or repeated system failures would reduce the attractiveness of our platform. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times, as we expand and the usage of our platform increases. Any negative publicity arising from these disruptions and any of the above circumstances or events may harm our reputation and brand, reduce the availability or usage of our platform, lead to a significant short-term loss of revenue, increase our costs, and impair our ability to attract new users, any of which could adversely affect our business, financial condition, and results of operations.

Our master agreement with AWS will remain in effect until terminated by AWS or us. We have a three-year agreement with AWS that may only be terminated by AWS for convenience by providing us at least two years advanced notice and may only be terminated by us for cause upon a material breach of the agreement, subject to AWS providing prior written notice and a 30-day cure period. Even though our platform is entirely in the cloud, our plan is to be vendor-agnostic and we believe that we could transition to one or more alternative cloud infrastructure providers on commercially reasonable terms. We do not believe that such transfer to, or the addition of, new cloud infrastructure service providers would cause substantial harm to our business, financial condition, and results of operations over the longer term.

We depend on the interoperability of our platform across third-party applications and services that we do not control.

We have built integrations with many technology partners, including leading providers of customer relationship management platforms, loan origination systems, core banking systems, document generation systems, income and asset verification services, and pricing and product engines, and a variety of other service providers. Third-party applications, products, and services are constantly evolving, and we may not be able to maintain or modify our platform to ensure its compatibility with third-party offerings following development changes. In addition, some of our competitors, partners, or other service providers may take actions that disrupt the interoperability of our platform with their own products or services, or exert strong business influence on our ability to, and the terms on which we, operate our platform. As our platform evolves, we expect the types and levels of competition we face to increase. Should any of our competitors, partners, or other service providers modify their technologies, standards, or terms of use in a manner that degrades the functionality or performance of our platform or is otherwise unsatisfactory to us or gives preferential treatment to our other competitors' products or services, our platform, business, financial condition, and results of operations could be adversely affected.

We rely on partners, vendors, and other service providers to provide some of the software or data for our platform. If such partners, vendors, and other service providers interfere with the distribution of our platform or with our use of such software, our business could be adversely affected.

We rely upon certain partners, vendors, and other service providers to provide data used in, and software employed by, our platform and services or by customers and consumers using our platform and services, and it is possible that such software or data may not be reliable. From time to time we may in the future have disputes with certain of our partners, vendors, and other service providers. If, in connection with such a dispute, a partner, vendor, or service provider terminates its relationship with us or otherwise limits the provision of their software or data to us, the availability or usage of our platform could be disrupted. If the partners, vendors, and other service providers we rely upon cease to provide access to the software and/or data that we and our customers and consumers use, whether in connection with disputes or otherwise, do not provide access to such software and/or data on terms that we believe to be attractive or reasonable, or do not provide us with the most current version of such software, we may be required to seek comparable software and/or data from other sources, which may be more expensive or inferior, or may not be available at all, any of which would adversely affect our business.

The loss of access to credit, employment, financial and other data from external sources could harm our ability to provide our products and services.

We rely on a wide variety of data sources to provide our services and products, including data collected from applicants and borrowers, credit bureaus, payroll providers, data aggregators, and unaffiliated third parties. If we are unable to access and use data collected from or on behalf of applicants and borrowers, or other third-party data, or our access to such data is limited, our ability to provide our services and enable our customers to verify applicant data would be compromised. Any of the foregoing could negatively impact the consumer experience of our platform, the volume of loans enabled through our platform, the delivery of closing services like title and settlement services, and the degree of automation in our application process and on our platform.

Further, although we utilize third parties to enable financial services firms to verify the income and employment information provided by certain selected applicants, we cannot guarantee the accuracy of applicant information. Information provided by borrowers may be incomplete, inaccurate, or intentionally false. Any of the foregoing could adversely affect our business, financial condition, and results of operations.

Risks Related to Our Intellectual Property

Failure to adequately protect our intellectual property could adversely affect our business, financial condition, and results of operations.

Our business depends on our intellectual property, the protection of which is important to the success of our business. We rely on a combination of trademark, trade secret, copyright, and patent law and contractual restrictions to protect our intellectual property. In addition, we attempt to protect our intellectual property, technology, and confidential information by requiring our employees and consultants who develop intellectual property on our behalf to enter into confidentiality and invention assignment agreements, and third parties we share information with to enter into nondisclosure agreements. These agreements may not effectively prevent unauthorized use or disclosure of our confidential information, intellectual property, or technology and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information or technology, or infringement of our intellectual property. Despite our efforts to protect our proprietary rights,

unauthorized parties may copy aspects of our platform or other software, technology, and functionality or obtain and use information that we consider proprietary. In addition, unauthorized parties may also attempt, or successfully endeavor, to obtain our intellectual property, confidential information, and trade secrets through various methods, including through cybersecurity attacks, and legal or other methods of protecting this data may be inadequate.

We have registered the term "Blend" in the United States, the United Kingdom, and the European Union, and as of March 31, 2021, we had pending trademark applications in the United States as well as Canada. We also have registered domain names that we use in, or are related to, our business, most importantly blend.com. Competitors have and may continue to adopt service names similar to ours, thereby harming our ability to build brand identity and possibly leading to user confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks that are similar to our trademarks. As of March 31, 2021, we had one issued patent in the United States and patent applications pending in the United States, European Patent Office, Canada, and Australia. Litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights and to determine the validity and scope of the proprietary rights of others. Further, we may not timely or successfully apply for a patent or register our trademarks or otherwise secure our intellectual property. Our efforts to protect, maintain, or enforce our proprietary rights may be ineffective and could result in substantial costs and diversion of resources, which could adversely affect our business, financial condition, and results of operations.

Intellectual property infringement assertions by third parties could result in significant costs and adversely affect our business, financial condition, results of operations, and reputation.

We operate in an industry with frequent intellectual property litigation. Other parties may assert that we have infringed their intellectual property rights. We could be required to pay substantial damages or cease using intellectual property or technology that is deemed infringing.

Further, we cannot predict whether assertions of third-party intellectual property rights or claims arising from such assertions would substantially adversely affect our business, financial condition, and results of operations. The defense of these claims and any future infringement claims, whether they are with or without merit or are determined in our favor, may result in costly litigation and diversion of technical and management personnel. Further, an adverse outcome of a dispute may require us to pay damages, potentially including treble damages and attorneys' fees if we are found to have willfully infringed a party's patent or copyright rights, cease making, licensing, or using products that are alleged to incorporate the intellectual property of others, expend additional development resources to redesign our offerings, and enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies. Royalty or licensing agreements, if required, may be unavailable on terms acceptable to us, or at all. In any event, we may need to license intellectual property which would require us to pay royalties or make one-time payments. Even if these matters do not result in litigation or are resolved in our favor or without significant cash settlements, the time and resources necessary to resolve them could adversely affect our business, reputation, financial condition, results of operations, and reputation.

Our platform contains third-party open source software components, and failure to comply with the terms of the underlying open source software licenses could restrict our ability to provide our platform.

Our platform contains software modules licensed to us by third-party authors under "open source" licenses. Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide support, warranties,

indemnification, or other contractual protections regarding infringement claims or the quality of the code. In addition, the public availability of such software may make it easier for others to compromise our platform.

Some open source licenses contain requirements that may, depending on how the licensed software is used or modified, require that we make available source code for modifications or derivative works we create based upon the licensed open source software, authorize further modification and redistribution of that source code, make that source code available at little or no cost, or grant other licenses to our intellectual property. If we combine our proprietary software with open source software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software under the terms of an open source software license. This could enable our competitors to create similar offerings with lower development effort and time and ultimately could result in a loss of our competitive advantages. Alternatively, to avoid the release of the affected portions of our source code, we could be required to purchase additional licenses, expend substantial time, and resources to re-engineer some or all of our software or cease use or distribution of some or all of our software until we can adequately address the concerns.

Although we have certain policies and procedures in place to monitor our use of open source software that are designed to avoid subjecting our platform to conditions, those policies and procedures may not be effective to detect or address all such conditions. In addition, the terms of many open source licenses have not been interpreted by U.S. or foreign courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to provide or distribute our platform. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate open source software into their solutions. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software. If we are held to have breached or failed to fully comply with all the terms and conditions of an open source software license, we could face infringement or other liability, or be required to seek costly licenses from third parties to continue providing our platform on terms that are not economically feasible, to re-engineer our platform, to discontinue or delay the provision of our platform if re-engineering could not be accomplished on a timely basis, or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business, financial condition, and results of operations.

Risks Related to this Offering and Ownership of Our Class A Common Stock

The multi-class structure of our common stock will have the effect of concentrating voting power with Nima Ghamsari, Head of Blend, Co-Founder, and Chair of our board of directors, which will severely limit your ability to influence or direct the outcome of matters submitted to our stockholders for approval, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws, and the approval of any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction.

Our Class A common stock, which is the stock we are offering by means of this prospectus, has one vote per share, our Class B common stock has 40 votes per share, and our Class C common stock has no voting rights, except as otherwise required by law. Upon the completion of this offering, Nima Ghamsari, Head of Blend, Co-Founder, and Chair of our board of directors, will hold all of the issued and outstanding shares of our Class B common stock. Accordingly, upon the completion of this offering, the shares beneficially owned by Mr. Ghamsari will represent approximately % of the total voting power of our outstanding capital stock, which voting power may increase over time as Mr. Ghamsari exercises equity awards outstanding at the time of the completion of this offering and exchanges them for our Class B common stock under the Equity Exchange Agreement. If all such equity awards held by Mr. Ghamsari (including the Founder and Head of Blend Long-Term

Performance Award) had been exercised for cash as of the date of the completion of this offering, Mr. Ghamsari would hold approximately % of the voting power of our outstanding capital stock. As a result, for the foreseeable future, Mr. Ghamsari will be able to control matters requiring approval by our stockholders, including the election of members of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws, and the approval of any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction. Mr. Ghamsari may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interest. The concentration of control will limit or preclude your ability to influence corporate matters for the foreseeable future and could have the effect of delaying, preventing, or deterring a change in control of our company, could deprive you and other holders of Class A common stock of an opportunity to receive a premium for your Class A common stock as part of a sale of our company and could negatively affect the market price of our Class A common stock. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may feel are in your best interest as one of our stockholders.

Future transfers by Mr. Ghamsari and his affiliates of Class B common stock will generally result in those shares converting into shares of Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning or charitable purposes. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon (i) the date fixed by our board of directors that is no less than 61 days and no more than 180 days following the first date following the completion of this offering on which the number of shares of our capital stock, including Class A common stock, Class B common stock, and Class C common stock, and any shares of capital stock underlying equity securities or other convertible instruments, held by Mr. Ghamsari and his affiliates is less than 35% of the number of shares of Class B common stock held by Mr. Ghamsari and his affiliates as of immediately following the completion of this offering, which we sometimes refer to herein as the 35% Ownership Threshold; (ii) 12 months after the death or total disability of Mr. Ghamsari, during which 12-month period the shares of our Class B common stock shall be voted as directed by a person designated by Mr. Ghamsari and approved by our board of directors (or if there is no such person, then our secretary then in office); (iii) the date fixed by our board of directors that is no less than 61 days and no more than 180 days following the date on which Mr. Ghamsari is terminated for cause (as defined in our amended and restated certificate of incorporation); (iv) the date fixed by our board of directors that is no less than 61 days and no more than 180 days following the date upon which (A) Mr. Ghamsari is no longer providing services to us as an officer, employee, or consultant and (B) Mr. Ghamsari is no longer a member of our board of directors, either as a result of Mr. Ghamsari's voluntary resignation or as a result of a request or agreement by Mr. Ghamsari at a meeting of our stockholders for Mr. Ghamsari not to be renominated as a member of our board of directors; or (v) the 50-year anniversary of the closing of this offering. We refer to the date on which such final conversion of all outstanding shares of Class B common stock pursuant to the terms of our amended and restated certificate of incorporation occurs as the Final Conversion Date. For more information about our multi-class structure, see the section titled "*Description of Capital Stock*."

Shares of our Class C common stock, which entitle the holder to zero votes per share (except as otherwise required by law), will not be issued and outstanding at the closing of the offering and we have no current plans to issue shares of Class C common stock. These shares will be available to be used in the future to further strategic initiatives, such as financings or acquisitions, or issue future equity awards to our service providers. Over time the issuance of shares of Class A common stock will result in voting dilution to all of our stockholders and this dilution could eventually result in Mr. Ghamsari and his affiliates holding less than a majority of our total outstanding voting power. Once Mr. Ghamsari and his affiliates own less than a majority of our total outstanding voting power, Mr. Ghamsari would no longer have the unilateral ability to elect all of our directors and to determine the outcome of any matter submitted for a vote of our stockholders. Because the shares of Class C common stock have no voting rights (except as required by law), the issuance of such shares will not

result in further voting dilution, which would prolong the voting control of Mr. Ghamsari. Further, the issuance of such shares of Class C common stock to Mr. Ghamsari would also delay the final conversion of all of our outstanding Class B common stock because shares of Class C common stock issued to Mr. Ghamsari would be counted when determining whether the 35% Ownership Threshold has been met. As a result, the issuance of shares of Class C common stock could prolong the duration of Mr. Ghamsari's control of our voting power and his ability to elect all of our directors and to determine the outcome of most matters submitted to a vote of our stockholders. In addition, we could issue shares of Class C common stock to Mr. Ghamsari and, in that event, he would be able to sell such shares of Class C common stock and achieve liquidity in their holdings without diminishing his voting control. Any future issuances of shares of Class C common stock will not be subject to approval by our stockholders except as required by the listing standards of the New York Stock Exchange. See the section titled "*Description of Capital Stock—Anti-Takeover Provisions*" for additional information.

Although we do not currently expect to rely on the "controlled company" exemption under the listing standards of the New York Stock Exchange, we expect to have the right to use such exemption and therefore we could in the future avail ourselves of certain reduced corporate governance requirements.

As a result of our multi-class common stock structure, Nima Ghamsari, Head of Blend, Co-Founder and Chair of our board of directors, will hold a majority of the voting power of our outstanding capital stock following the completion of this offering. Therefore, we will be considered a "controlled company" within the meaning of the rules of the New York Stock Exchange. Under these rules, a company in which over 50% of the voting power for the election of directors is held by an individual, a group, or another company is a "controlled company" and may elect not to comply with certain listing standards of the New York Stock Exchange regarding corporate governance, including:

- the requirement that a majority of its board of directors consist of independent directors;
- the requirement that its nominating/corporate governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and an annual performance evaluation of the committee; and
- the requirement that its compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities, an annual performance evaluation of the committee, and the rights and responsibilities of the committee relate to any compensation consultant, independent legal counsel, or any other advisor retained by the committee.

These requirements would not apply to us if, in the future, we choose to avail ourselves of the "controlled company" exemption. Although we qualify as a "controlled company," we do not currently expect to rely on these exemptions and intend to fully comply with all corporate governance requirements under the listing standards of the New York Stock Exchange. However, if we were to utilize some or all of these exemptions, we would not comply with certain of the corporate governance standards of the New York Stock Exchange, which could adversely affect the protections for other stockholders.

We cannot predict the effect our multi-class structure may have on the market price of our Class A common stock.

We cannot predict whether our multi-class structure will result in a lower or more volatile market price of our Class A common stock, in adverse publicity, or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multi-class share structures in certain of their indices. In July 2017, FTSE Russell announced that it plans to require new

constituents of its indices to have greater than 5% of the company's voting rights in the hands of public stockholders, and S&P Dow Jones announced that it will no longer admit companies with multi-class share structures to certain of its indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400, and S&P SmallCap 600, which together make up the S&P Composite 1500. Also in 2017, MSCI, a leading stock index provider, opened public consultations on their treatment of no-vote and multi-class structures and temporarily barred new multi-class listings from certain of its indices and in October 2018, MSCI announced its decision to include equity securities "with unequal voting structures" in its indices and to launch a new index that specifically includes voting rights in its eligibility criteria. Under such announced policies, the multi-class structure of our common stock would make us ineligible for inclusion in certain indices and, as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to track those indices would not invest in our Class A common stock. These policies are relatively new and it is unclear what effect, if any, they will have on the valuations of publicly-traded companies excluded from such indices, but it is possible that they may depress valuations, as compared to similar companies that are included. Because of our multi-class structure, we will likely be excluded from certain of these indexes and we cannot assure you that other stock indexes will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected.

The trading price of our Class A common stock may be volatile, and you could lose all or part of your investment.

Prior to this offering, there has been no public market for shares of our Class A common stock. The initial public offering price of our Class A common stock will be determined through negotiation among us and the underwriters. This price does not necessarily reflect the price at which investors in the market will be willing to buy and sell shares of our Class A common stock following this offering. In addition, the trading price of our Class A common stock following this offering is likely to be volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our Class A common stock since you might be unable to sell your shares at or above the price you paid in this offering. Factors that could cause fluctuations in the trading price of our Class A common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the trading prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our Class A common stock by us or our stockholders, as well as the anticipation of lock-up releases;
- failure of securities analysts to maintain coverage of us or changes in financial estimates by securities analysts who follow our company;
- failure to meet our financial estimates or expectations or the financial estimates or expectations of securities analysts or investors;
- the financial projections we may provide to the public, any changes in those projections, or our failure to meet those projections;
- announcements by us or our competitors of new services or platform features;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;

- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors' businesses, or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- actual or perceived privacy or security breaches or other incidents;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses, services, or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- any significant change in our management;
- general economic conditions and slow or negative growth of our markets;
- other events or factors, including those resulting from war, incidents of terrorism, natural disasters, public health concerns or epidemics, such as the COVID-19 pandemic, natural disasters, or responses to these events; and
- our anticipated uses of net proceeds from this offering.

In addition, in the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

A substantial portion of the outstanding shares of our Class A common stock and Class B common stock after this offering will be restricted from immediate resale, but may be sold on a stock exchange in the near future. The large number of shares eligible for public sale or subject to rights requiring us to register them for public sale could depress the market price of our Class A common stock.

The market price of our Class A common stock could decline as a result of sales of a large number of shares of our Class A common stock in the market after this offering, and the perception that these sales could occur may also depress the market price of our Class A common stock. Based on 566,032,624 shares of our Class A common stock outstanding (after giving effect to the Capital Stock Conversion, the Reclassification, and the Class B Stock Exchange) as of March 31, 2021, we will have shares of our Class A common stock and shares of our Class B common stock outstanding after this offering.

Our executive officers, directors, and the holders of substantially all of our capital stock and securities convertible into or exchangeable for our capital stock have entered into market standoff agreements with us or have entered or will enter into lock-up agreements with the underwriters under which they have agreed or will agree, subject to specific exceptions, not to sell any of our stock for 180 days following the date of this prospectus, or the lock-up period; provided that:

- up to 25% of the vested shares of common stock subject to the lock-up agreements (including shares issuable upon exercise of vested options) held as of the date that is ten days prior to

the date of this prospectus by current and former employees, consultants, or advisors, but excluding current executive officers and directors, may be sold at the commencement of trading on the trading day immediately following the first trading day on which our Class A common stock is traded on the New York Stock Exchange (which day we refer to as the First Early Release Triggering Day) if the following conditions, or the Employee Early Release Conditions, have been satisfied: the First Early Release Triggering Day (i) that occurs in a broadly applicable period during which trading in our securities is permitted under our insider trading policy, or an open trading window, and (ii) where the last reported closing price of our Class A common stock on the New York Stock Exchange is at least 25% greater than the public offering price per share, as set forth on the cover page of this prospectus, for any five trading days out of the ten-consecutive full trading day period ending on the First Early Release Triggering Day, which ten-consecutive full trading day period is subject to reduction upon satisfaction of certain conditions. We refer to this exception to the lock-up period as the Employee Early Release;

- up to 25% of the vested shares of common stock subject to the lock-up agreements (including shares issuable upon exercise of vested options) held as of the date that is ten days prior to the date of this prospectus may be sold at the commencement of trading on the trading day following the first trading day (which day we refer to as the Second Early Release Triggering Day) if the following conditions, or the Earnings-Related Release Conditions, have been satisfied: the Second Early Release Triggering Day (i) is at least 90 days following the date of this prospectus, (ii) occurs during an open trading window, and (iii) where the last reported closing price of our Class A common stock on the New York Stock Exchange is at least 25% greater than the public offering price per share, as set forth on the cover page of this prospectus, for any five trading days out of the ten-consecutive full trading day period ending on the Second Early Release Triggering Day. We refer to this exception to the lock-up period as the Earnings-Related Release; and
- all remaining shares of common stock subject to the lock-up agreements and not released upon the Employee Early Release or the Earnings-Related Release may be sold upon the earlier of (i) if the lock-up period is scheduled to end during or within five trading days prior to the closing of an open trading window, ten trading days prior to the closing of such open trading window, or the Blackout-Related Release, or (ii) otherwise, 181 days after the date of this prospectus. We refer to the date of the release upon either (i) or (ii) as the Final Lock-Up Release. In the event that a Blackout-Related Release will occur, we will notify the representatives of the date of the impending Blackout-Related Release promptly upon our determination of the date of the Blackout-Related Release and in any event at least seven trading days in advance of the date of the Blackout-Related Release, and will announce the date of the expected Blackout-Related Release through a major news service, or on a Form 8-K, at least two trading days in advance of the Blackout-Related Release.

As a result of these agreements and the provisions of our Amended and Restated Investors' Rights Agreement dated January 11, 2021, or our IRA, described further in the section titled "*Description of Capital Stock—Registration Rights*," and subject to the provisions of Rule 144 or Rule 701, shares of our Class A common stock (including shares of Class A common stock issuable upon conversion of Class B common stock) will be available for sale in the public market as follows (assuming no exercise of outstanding stock options subsequent to March 31, 2021):

- beginning on the date of this prospectus, all shares of our Class A common stock sold in this offering will be immediately available for sale in the public market;
- beginning on the date of the Employee Early Release, if such release has been triggered, shares of Class A common stock (including shares issuable upon exercise of certain options) held by current employees and former employees, consultants, or advisors, but

excluding current executive officers and directors, will be eligible for sale in the public market from time to time thereafter subject in some cases to the volume and other restrictions of Rule 144;

- beginning on the date of the Earnings-Related Release, if such release has been triggered:
  - shares of Class A common stock held by former holders of our redeemable convertible preferred stock will be eligible for sale in the public market from time to time thereafter subject in some cases to the volume and other restrictions of Rule 144;
  - shares of Class A common stock held by executive officers and directors (including shares of Class A common stock issuable upon conversion of Class B common stock that are held by Mr. Ghamsari) will be eligible for sale in the public market from time to time thereafter subject in some cases to the volume and other restrictions of Rule 144; and
  - shares of Class A common stock held by all other holders will be eligible for sale in the public market from time to time thereafter subject in some cases to the volume and other restrictions of Rule 144; and
- beginning on the Final Lock-Up Release Date, the remainder of the shares of our common stock (including shares of Class A common stock issuable upon conversion of Class B common stock) will be eligible for sale in the public market from time to time thereafter, subject in some cases to the volume and other restrictions of Rule 144.

Upon completion of this offering, stockholders owning an aggregate of up to 444,648,304 shares of our Class A common stock will be entitled, under our IRA, to require us to register shares owned by them for public sale in the United States. In addition, we intend to file a registration statement to register shares reserved for future issuance under our equity compensation plans. Upon effectiveness of that registration statement, subject to the satisfaction of applicable exercise periods and the expiration or waiver of the market standoff agreements and lock-up agreements referred to above, the shares issued upon exercise of outstanding stock options or upon settlement of outstanding RSU awards will be available for immediate resale in the United States in the open market.

Sales of our Class A common stock as restrictions end or pursuant to registration rights may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales could also cause the trading price of our Class A common stock to fall and make it more difficult for you to sell shares of our Class A common stock.

We are an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our Class A common stock less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act, and have the option to utilize certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We may take advantage of these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year (A) following the fifth anniversary of the completion of this offering, (B) in which we have total annual revenue of at least $1.07 billion, or (C) in which we are deemed to be a large accelerated filer, with at least

$700 million of equity securities held by non-affiliates as of the prior June 30th, and (ii) the date on which we have issued more than $1 billion in non-convertible debt during the prior three-year period.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We intend to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates. While we have not made such an irrevocable election, we have not delayed the adoption of any applicable accounting standards. Further, we may take advantage of some of the other reduced regulatory and reporting requirements that will be available to us so long as we qualify as an emerging growth company.

Among other things, this means that our independent registered public accounting firm will not be required to provide an attestation report on the effectiveness of our internal control over financial reporting so long as we qualify as an emerging growth company, which may increase the risk that weaknesses or deficiencies in our internal control over financial reporting go undetected. Likewise, so long as we qualify as an emerging growth company, we may elect not to provide you with certain information, including certain financial information and certain information regarding compensation of our executive officers, that we would otherwise have been required to provide in filings we make with the SEC, which may make it more difficult for investors and securities analysts to evaluate our company. As a result, investor confidence in our company and the market price of our Class A common stock may be adversely affected. Further, we cannot predict if investors will find our Class A common stock less attractive if we will rely on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may be more volatile.

If you purchase our Class A common stock in this offering, you will incur immediate and substantial dilution.

The assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, is substantially higher than the pro forma as adjusted net tangible book value per share of our outstanding Class A common stock (after giving effect to the Capital Stock Conversion and the Class B Stock Exchange) of $ per share as of . Investors purchasing shares of our Class A common stock in this offering will pay a price per share that substantially exceeds the book value of our tangible assets after subtracting our liabilities. Therefore, if you purchase our Class A common stock in this offering, you will incur immediate dilution of $ per share in the pro forma as adjusted net tangible book value per share as of , 2021 from the price you paid.

This dilution is due in large part to the fact that our earlier investors paid substantially less than the initial public offering price when they purchased shares prior to this offering. In addition, as of , 2021, options to purchase shares of our Class A common stock, with a weighted average exercise price of $ per share, and warrants to purchase shares of our Class A common stock (as converted) were outstanding. The exercise of any of these options or warrants or issuance of additional shares of our Class A common stock or Class B common stock would result in additional dilution. As a result of the dilution to investors purchasing shares in this offering, investors may receive less than the purchase price paid in this offering, if anything, in the event of our liquidation. For more information, see the section titled “*Dilution*.”

Prior to this offering, there has been limited trading of our Class A common stock at prices that may be higher than what our Class A common stock will trade at once it is listed.

Prior to this offering, our shares have not been listed on any stock exchange or other public trading market, but there has been some trading of our securities in private trades. These trades were speculative, and the trading price of our securities in these trades was privately negotiated. We cannot assure you that the price of our Class A common stock will equal or exceed the price at which our securities have traded prior to this offering.

We have broad discretion over the use of net proceeds from this offering and we may not use them effectively.

We cannot specify with any certainty the particular uses of the net proceeds that we will receive from this offering. Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in the section titled "*Use of Proceeds*," and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. The failure by our management to apply these proceeds effectively could adversely affect our business, financial condition, and results of operations. Pending their use, we may invest our proceeds in a manner that does not produce income or that loses value. Our investments may not yield a favorable return to our investors and may negatively impact the price of our Class A common stock.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer or proxy contest difficult, thereby depressing the market price of our Class A common stock.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and amended and restated bylaws will contain provisions that may make the acquisition of our company more difficult, including the following:

- any amendments to our amended and restated certificate of incorporation will require the approval of at least a majority of the voting power of the outstanding shares of our Class A common stock and Class B common stock voting as a single class;
- our amended and restated bylaws will provide that approval of the holders of at least a majority of the voting power of the outstanding shares of our Class A common stock and Class B common stock voting as a single class is required for stockholders to amend or adopt any provision of our bylaws;
- our multi-class common stock structure, which provides Nima Ghamsari with the ability to determine or significantly influence the outcome of matters requiring stockholder approval, even if he owns significantly less than a majority of the shares of our outstanding Class A common stock, Class B common stock, and Class C common stock;
- until the first date on which the outstanding shares of our Class B common stock represent less than a majority of the total combined voting power of our Class A common stock and our Class B common stock, or the Voting Threshold Date, our stockholders will only be able to take action by written consent if such action is first recommended or approved by our board of

directors, and after the Voting Threshold Date, our stockholders will only be able to take action at a meeting of stockholders and will not be able to take action by written consent for any matter;

- our amended and restated certificate of incorporation will not provide for cumulative voting;
- vacancies on our board of directors will be able to be filled only by our board of directors and not by stockholders;
- a special meeting of our stockholders may only be called by the chairperson of our board of directors, our principal executive officer, our president, or a majority of our board of directors;
- certain litigation against us can only be brought in Delaware;
- our amended and restated certificate of incorporation will authorize undesignated preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

These provisions, alone or together, could discourage, delay, or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock, and could also affect the price that some investors are willing to pay for our Class A common stock.

Our amended and restated bylaws will designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated bylaws, which will become effective immediately prior to the completion of this offering, will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (iii) any action arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws, or (iv) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants.

Section 22 of the Securities Act of 1933, as amended, or the Securities Act, creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws will also provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Nothing in our amended and restated bylaws precludes stockholders that assert claims under the Exchange Act from bringing such claims in state or federal court, subject to applicable law.

Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. The enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. For example, in December 2018, the Court of Chancery of the State of Delaware determined that a provision stating that U.S. federal district courts are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable. Although this decision was reversed by the Delaware Supreme Court in March 2020, courts in other states may still find these provisions to be inapplicable or unenforceable. If a court were to find the exclusive forum provisions in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could adversely affect our results of operations.

In making your investment decision, you should understand that we and the underwriters have not authorized any other party to provide you with information concerning us or this offering.

You should carefully evaluate all of the information in this prospectus. We have in the past received, and may continue to receive, a high degree of media coverage, including coverage that is not directly attributable to statements made by our officers and employees, that incorrectly reports on statements made by our officers or employees or that is misleading as a result of omitting information provided by us, our officers, or employees. We and the underwriters have not authorized any other party to provide you with information concerning us or this offering.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about us, our business or our market, or if they change their recommendation regarding our Class A common stock adversely, the market price and trading volume of our Class A common stock could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us, our business, our market, or our competitors. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If any of the analysts who cover us change their recommendation regarding our Class A common stock adversely, provide more favorable relative recommendations about our competitors, or publish inaccurate or unfavorable research about our business, the price of our securities would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets and demand for our securities could decrease, which could cause the price and trading volume of our Class A common stock to decline.

We do not expect to pay dividends in the foreseeable future.

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not anticipate declaring or paying any cash dividends to holders of our capital stock in the foreseeable future. In addition, our ability to pay cash dividends on our capital stock is likely to be restricted by any future debt financing arrangement we enter into. Consequently, stockholders must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “would,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this prospectus include statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, operating expenses, our ability to determine reserves, and our ability to achieve and maintain future profitability;
- our ability to successfully execute our business and growth strategy;
- the sufficiency of our cash, cash equivalents, and marketable securities to meet our liquidity needs;
- the demand for our products and services;
- our ability to increase our transaction volume and to attract and retain customers;
- our ability to integrate more marketplaces into our end-to-end consumer journeys;
- our ability to develop new products, services, and features and bring them to market in a timely manner and make enhancements to our current products;
- our ability to compete with existing and new competitors in existing and new markets and offerings;
- our ability to complete the acquisition of Title365 and to integrate Title365 with our platform, and our ability to successfully acquire and integrate companies and assets;
- our ability to maintain the security and availability of our platform;
- our expectations regarding the effects of existing and developing laws and regulations, including with respect to taxation and privacy and data protection;
- our ability to manage risk associated with our business;
- our expectations regarding new and evolving markets;
- our ability to develop and protect our brand and reputation;
- our expectations and management of future growth;
- our expectations concerning relationships with third parties;
- our ability to maintain, protect, and enhance our intellectual property;
- the increased expenses associated with being a public company;
- the impact of the COVID-19 pandemic, or a similar public health threat, on global capital and financial markets, general economic conditions in the United States, and our business and operations; and
- our anticipated uses of net proceeds from this offering.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this prospectus.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this prospectus primarily on our current expectations and

projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors, including those described in the section titled "*Risk Factors*" and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Moreover, the forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

INDUSTRY, MARKET, AND OTHER DATA

Unless otherwise indicated, estimates and information contained in this prospectus concerning our industry and the market in which we operate, including our general expectations, market position, market opportunity and market size, are based on industry publications and reports generated by third-party providers, other publicly available studies and our internal sources and estimates. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we are responsible for all of the disclosure contained in this prospectus and we believe the information from the industry publications and other third-party sources included in this prospectus is reliable, we have not independently verified the accuracy or completeness of the data contained in such sources. The content of, or accessibility through, the below sources and websites, except to the extent specifically set forth in this prospectus, does not constitute a portion of this prospectus and is not incorporated herein and any websites are an inactive textual reference only.

The sources of the statistical data, estimates, and market and industry data contained in this prospectus are identified by superscript notations and are provided below:

- American Land Title Association, *ALTA's Market Share Analysis*, April 2020.
- Autonomous Research, *Machine Intelligence & Augmented Finance*, April 2018.
- Boston Consulting Group, *The Front-to-Back Digital Retail Bank*, January 2021.
- Cornerstone Advisors, *What's Going On in Banking 2021*, Rebounding From the Pandemic, January 2021.
- Deloitte Consulting LLP, *Deloitte 2020 Voice of the customer: Retail banking experience*, 2020.
- IBISWorld Inc., *Homeowners' Insurance, Worth the risk: growth in housing starts and homeownership rate will boost industry revenue*, March 2020.
- Gartner, *Forecast Analysis: Low-Code Development Technologies*, January 2021.*
- Gartner, *Forecast: Enterprise IT Spending by Vertical Industry Market, Worldwide, 2019-2025, 1Q21 Update*, March 2021.*
- McKinsey & Company, *How US customers' attitudes to fintech are shifting during the pandemic*, December 2020.

The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "*Risk Factors*" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

* The Gartner content described herein, or the Gartner Content, represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc., or Gartner, and are not representations of fact. Gartner Content speaks as of its original publication date (and not as of the date of this prospectus) and the opinions expressed in the Gartner Content are subject to change without notice.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of shares of our Class A common stock in this offering will be approximately $ million, based upon the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' option to purchase additional shares of our Class A common stock from us is exercised in full, we estimate that the net proceeds to us would be approximately $ million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease the net proceeds that we receive from this offering by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions payable by us. Similarly, each increase or decrease of 1.0 million in the number of shares of our Class A common stock offered by us would increase or decrease the net proceeds that we receive from this offering by approximately $ million, assuming the assumed initial public offering price remains the same and after deducting the estimated underwriting discounts and commissions payable by us.

The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our Class A common stock, and enable access to the public equity markets for us and our stockholders.

We intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures. Additionally, we may use a portion of the net proceeds we receive from this offering to acquire or invest in businesses, products, services, or technologies. However, other than our pending acquisition of Title365, we do not have agreements or commitments for any material acquisitions or investments at this time.

We cannot further specify with certainty the particular uses of the net proceeds that we will receive from this offering. Accordingly, we will have broad discretion in using these proceeds. Pending the use of proceeds from this offering as described above, we may invest the net proceeds that we receive in this offering in short-term, investment grade, interest-bearing instruments.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions (including under any future debt financing arrangement we enter into), general business or financial market conditions, and other factors that our board of directors may deem relevant.

CAPITALIZATION

The following table sets forth cash, cash equivalents, and marketable securities, as well as our capitalization, as of March 31, 2021 as follows:

- on a historical basis;
- on a pro forma basis giving effect to the transactions described in the section titled "*Unaudited Pro Forma Condensed Combined Financial Information*," including (i) the borrowing of an aggregate of $225.0 million under the Term Loan and $25.0 million Revolving Credit Facility in connection with our acquisition of Title365, (ii) the issuance of a warrant to purchase up to 1,795,294 shares of our Series G Preferred Stock in connection with such borrowing, (iii) our probable acquisition of Title365, (iv) the Capital Stock Conversion, (v) the filing and effectiveness of our amended and restated certificate of incorporation that will become effective immediately prior to the completion of this offering and will effect the Reclassification, (vi) the Class B Stock Exchange, and (vii) an increase to additional paid-in capital and accumulated deficit related to stock-based compensation expense of approximately $23.0 million associated with the satisfaction of the liquidity event-related performance vesting condition of certain stock options granted to Mr. Ghamsari, in each case, as if such transactions had occurred on March 31, 2021; and
- on a pro forma as adjusted basis giving effect to (i) the pro forma adjustments set forth above, (ii) the sale and issuance by us of shares of our Class A common stock in this offering, based upon the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and (iii) the application of the estimated net proceeds from the offering, as described in the section titled "*Use of Proceeds*."

The pro forma as adjusted information in the table below is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the relevant transactions had been consummated on the date indicated and will change based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this table together with our consolidated financial statements and related notes, and the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Unaudited Pro Forma Condensed Combined Financial Information*" included elsewhere in this prospectus.

	As of March 31, 2021		
	Historical	Pro forma	Pro forma as adjusted (1)
	(In thousands, except for share and per share data)		
Cash, cash equivalents, and marketable securities	$ 453,151	$ 254,597	$
Long-term debt	$ —	$ 212,926	$
Stockholders' equity:			
Founders convertible preferred stock, par value $0.00001 per share: 3,078,024 shares authorized and 2,075,000 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	—	—	—
Convertible preferred stock, par value $0.00001 per share: 448,698,896 shares authorized and 438,542,888 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	702,940	—	—

	As of March 31, 2021		
	Historical	Pro forma	Pro forma as adjusted (1)
	(In thousands, except for share and per share data)		
Class A common stock, par value $0.00001 per share: 596,297,578 shares authorized and 45,116,188 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	—	—	—
Class B common stock, par value $0.00001 per share: 860,000,000 shares authorized and 113,048,548 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	1	—	—
Preferred stock, par value $0.00001 per share: no shares authorized, issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	—	—	—
Class A common stock, par value $0.00001 per share: no shares authorized, issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	—	—	
Class B common stock, par value $0.00001 per share: no shares authorized, issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	—	—	
Class C common stock, par value $0.00001 per share: no shares authorized, issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted	—	—	
Additional paid-in capital	59,431	792,423	
Accumulated other comprehensive income (loss)	10	10	
Accumulated deficit	(299,919)	(283,337)	
Total stockholders' equity	462,463	509,096	
Total capitalization	$ 462,463	$ 722,022	

(1) To the extent we change the number of shares of Class A common stock issued and sold by us in this offering from the shares we expect to sell or we change the initial public offering price from the $ per share assumed initial public offering price, representing the midpoint of the price range set forth on the cover page of this prospectus, or any combination of these events occurs, the net proceeds to us from this offering and each of pro forma as adjusted cash, cash equivalents, and marketable securities, additional paid-in capital, total stockholders' equity and total capitalization may increase or decrease. A $1.00 increase (decrease) in the assumed initial public offering price per share, assuming no change in the number of shares to be sold, would increase (decrease) the net proceeds that we receive in this offering and each of pro forma as adjusted cash, cash equivalents, and marketable securities, additional paid-in capital, total stockholders' equity and total capitalization by approximately $ million, after deducting estimated underwriting discounts and commissions payable by us. An increase (decrease) of 1.0 million shares in the expected number of shares to be sold in the offering, assuming no change in the assumed initial offering price per share, would increase (decrease) our net proceeds from this offering and our pro forma as adjusted cash, cash equivalents, and marketable securities, additional paid-in capital, as adjusted total stockholders' equity and total capitalization by approximately $ million, after deducting estimated underwriting discounts and commissions payable by us.

If the underwriters' option to purchase additional shares of our Class A common stock from us were exercised in full, pro forma as adjusted cash, cash equivalents, and marketable securities, additional paid-in capital, total stockholders' equity, total capitalization, and shares of Class A common stock issued and outstanding as of March 31, 2021 would be $ million, $ million, $ million, $ million, and shares, respectively.

The pro forma and pro forma as adjusted columns in the table above are based on 566,032,624 shares of our Class A common stock, 32,750,000 shares of our Class B common stock, and no shares of our Class C common stock (after giving effect to the Capital Stock Conversion, the Reclassification, and the Class B Stock Exchange) outstanding as of March 31, 2021, and exclude the following:

- The shares of our Class A common stock and Class B common stock outstanding as of March 31, 2021 exclude the following:
  - 104,150,853 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock outstanding as of March 31, 2021, with a weighted average exercise price of $1.01 per share;
  - 78,171,543 shares of our Class A common stock issuable upon the exercise of an option to purchase shares of our Class A common stock outstanding as of March 31, 2021, with an exercise price of $2.86 per share, granted to Mr. Ghamsari, and that vest upon the satisfaction of a liquidity event-related performance condition, a service condition, and/or a performance-based market condition;
  - 13,096,200 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock granted after March 31, 2021 through June 21, 2021, with a weighted average exercise price of $4.67 per share;
  - 3,809,758 shares of our Class A common stock issuable upon the exercise of warrants to purchase shares of our convertible preferred stock outstanding as of March 31, 2021, with a weighted average exercise price of $1.31 per share, which would result in the issuance of 3,809,758 shares of our Class A common stock in connection with the Capital Stock Conversion and this offering; and
  - shares of our Class A common stock reserved for future issuance under our equity compensation plans, consisting of:
    - shares of our Class A common stock to be reserved for future issuance under our 2021 Plan, which will become effective prior to the completion of this offering; and
    - shares of our Class A common stock reserved for future issuance under our 2012 Stock Plan, or our 2012 Plan, which number of shares will be added to the shares of our Class A common stock to be reserved for future issuance under our 2021 Plan upon its effectiveness, at which time we will cease granting awards under our 2012 Plan.

Our 2021 Plan provides for annual automatic increases in the number of shares of our Class A common stock reserved thereunder, and also provides for increases to the number of shares that may be granted thereunder based on any shares of our Class A common stock granted pursuant to awards under our 2012 Plan that expire, are tendered to or withheld by us for payment of an exercise price or for satisfying tax withholding obligations, or are forfeited or otherwise repurchased by us, as more fully described in the section titled "*Executive Compensation—Employee Benefit and Stock Plans*."

In addition, following the completion of this offering, we may issue up to 93,760,955 shares of Class B common stock in exchange for an equivalent number of shares of Class A common stock pursuant to the Equity Award Exchange Agreement.

DILUTION

If you invest in our Class A common stock in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our Class A common stock and the pro forma as adjusted net tangible book value per share of our Class A common stock and Class B common stock immediately after this offering. Net tangible book value dilution per share to new investors represents the difference between the amount per share paid by purchasers of shares of our Class A common stock in this offering and the pro forma as adjusted net tangible book value per share of our Class A common stock and Class B common stock immediately after completion of this offering.

Net tangible book value per share is determined by dividing our total tangible assets less our total liabilities by the number of shares of our common stock outstanding. Our historical net tangible book value as of March 31, 2021 was $ million, or $ per share. After giving effect to the transactions described in the section titled "*Unaudited Pro Forma Condensed Combined Financial Information*," including (i) the borrowing of an aggregate of $225.0 million under the Term Loan and $25.0 million Revolving Credit Facility in connection with our acquisition of Title365, (ii) the issuance of a warrant to purchase up to 1,795,294 shares of our Series G Preferred Stock in connection with such borrowing, (iii) our probable acquisition of Title365, (iv) the Capital Stock Conversion, (v) the filing and effectiveness of our amended and restated certificate of incorporation that will become effective immediately prior to the completion of this offering and will effect the Reclassification, (vi) the Class B Exchange, and (vii) an increase to additional paid-in capital and accumulated deficit related to stock-based compensation expense of approximately $23.0 million associated with the satisfaction of the liquidity event-related performance vesting condition of certain stock options granted to Mr. Ghamsari, in each case, as if such transactions had occurred on March 31, 2021, our pro forma net tangible book value as of March 31, 2021 would have been $ million, or $ per share.

After giving effect to the sale by us of shares of our Class A common stock in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of March 31, 2021 would have been $ million, or $ per share. This represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution in pro forma as adjusted net tangible book value of $ per share to investors purchasing shares of our Class A common stock in this offering at the assumed initial public offering price. The following table illustrates this dilution:

Assumed initial public offering price per share		$
Historical net tangible book deficit per share as of March 31, 2021	$	
Increase per share attributable to the pro forma adjustments described above		
Pro forma net tangible book value per share as of March 31, 2021		
Increase in pro forma net tangible book value per share attributable to new investors purchasing shares of Class A common stock in this offering		
Pro forma as adjusted net tangible book value per share immediately after this offering		
Dilution in pro forma as adjusted net tangible book value per share to new investors in this offering		$

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share would increase or decrease, as applicable, our pro forma as adjusted net tangible book value per share to new investors by $ and would increase or decrease, as applicable, dilution per share to new investors purchasing shares of Class A common stock in this offering by $, assuming that the

number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of our Class A common stock offered by us would increase or decrease, as applicable, our pro forma as adjusted net tangible book value by approximately $ per share and increase or decrease, as applicable, the dilution to new investors purchasing shares of our Class A common stock in this offering by $ per share assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions payable by us.

If the underwriters' option to purchase additional shares of our Class A common stock from us is exercised in full, the pro forma as adjusted net tangible book value per share of our Class A common stock and Class B common stock would be $ per share, and the dilution in pro forma net tangible book value per share to new investors purchasing shares of common stock in this offering would be $ per share, assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions payable by us.

The following table presents, on the same pro forma as adjusted basis as of March 31, 2021, the differences between the existing stockholders and the new investors purchasing shares of our Class A common stock in this offering with respect to the number of shares purchased from us, the total consideration paid or to be paid to us, which includes net proceeds received from the issuance of our Class A common stock and the average price per share paid or to be paid to us at the assumed initial public offering price of $ per share, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percentage	
Existing stockholders		%	$	%	$
New investors					$
Totals		100%	$	100%	

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share would increase or decrease, as applicable, the total consideration paid by new investors and total consideration paid by all stockholders by $, assuming that the number of shares of our Class A common stock offered by us remains the same. Similarly, each increase or decrease of 1.0 million in the number of shares of our Class A common stock offered by us would increase or decrease the total consideration paid by new investors and total consideration paid by all stockholders by $, assuming the assumed initial public offering price remains the same.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' option to purchase additional shares of our Class A common stock from us. If the underwriters' option to purchase additional shares of our Class A common stock were exercised in full, our existing stockholders would own % and our new investors would own % of the total number of shares of our Class A common stock and Class B common stock outstanding upon completion of this offering.

The pro forma as adjusted information above is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the relevant transactions had been consummated on the date indicated and will change based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this table together with our consolidated financial statements and related notes, and the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Unaudited Pro Forma Condensed Combined Financial Information*" included elsewhere in this prospectus.

The number of shares of our Class A common stock, Class B common stock, and Class C common stock that will be outstanding after this offering is based on 566,032,624 shares of our Class A common stock, 32,750,000 shares of our Class B common stock, and no shares of our Class C common stock (after giving effect to the Capital Stock Conversion, the Reclassification, and the Class B Stock Exchange) outstanding as of March 31, 2021, and exclude the following:

- The shares of our Class A common stock and Class B common stock outstanding as of March 31, 2021 exclude the following:
  - 104,150,853 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock outstanding as of March 31, 2021, with a weighted average exercise price of $1.01 per share;
  - 78,171,543 shares of our Class A common stock issuable upon the exercise of an option to purchase shares of our Class A common stock outstanding as of March 31, 2021, with an exercise price of $2.86 per share, granted to Mr. Ghamsari, and that vest upon the satisfaction of a liquidity event-related performance condition, a service condition, and/or a performance-based market condition;
  - 13,096,200 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock granted after March 31, 2021 through June 21, 2021, with a weighted average exercise price of $4.67 per share;
  - 3,809,758 shares of our Class A common stock issuable upon the exercise of warrants to purchase shares of our convertible preferred stock outstanding as of March 31, 2021, with a weighted average exercise price of $1.31 per share, which would result in the issuance of 3,809,758 shares of our Class A common stock in connection with the Capital Stock Conversion and this offering; and
  - shares of our Class A common stock reserved for future issuance under our equity compensation plans, consisting of:
    - shares of our Class A common stock to be reserved for future issuance under our 2021 Plan, which will become effective prior to the completion of this offering; and
    - shares of our Class A common stock reserved for future issuance under our 2012 Stock Plan, or our 2012 Plan, which number of shares will be added to the shares of our Class A common stock to be reserved for future issuance under our 2021 Plan upon its effectiveness, at which time we will cease granting awards under our 2012 Plan.

Our 2021 Plan provides for annual automatic increases in the number of shares of our Class A common stock reserved thereunder, and also provides for increases to the number of shares that may be granted thereunder based on any shares of our Class A common stock granted pursuant to awards under our 2012 Plan that expire, are tendered to or withheld by us for payment of an exercise price or for satisfying tax withholding obligations, or are forfeited or otherwise repurchased by us, as more fully described in the section titled "*Executive Compensation—Employee Benefit and Stock Plans*."

To the extent that any outstanding options to purchase our Class A common stock are exercised or new awards are granted under our equity compensation plans, there will be further dilution to investors participating in this offering.

In addition, following the completion of this offering, we may issue up to 93,760,955 shares of Class B common stock in exchange for an equivalent number of shares of Class A common stock pursuant to the Equity Award Exchange Agreement.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information (the "Unaudited Pro Forma Condensed Combined Financial Statements") have been derived by the application of pro forma adjustments to the historical audited and unaudited consolidated financial statements of Blend Labs, Inc., and its subsidiaries ("Blend" or "Company", "we", "our", "us", and similar terms unless the context indicates otherwise) included elsewhere in this prospectus and the historical audited carve-out financial statements of Title Carve-Out, a carve-out of certain operations of Mr. Cooper Group Inc. ("Title365") included elsewhere in this prospectus, after giving effect to the transaction(s), as further described herein.

The unaudited pro forma condensed combined balance sheet (the "Unaudited Pro Forma Condensed Combined Balance Sheet") as of March 31, 2021 and the unaudited pro forma condensed combined statements of operations (the "Unaudited Pro Forma Condensed Combined Statements of Operations") for the three months ended March 31, 2021 and the year ended December 31, 2020 are intended to reflect the following transactions:

i. The issuance of a $225.0 million senior secured first-lien term loan facility (the "Term Loan") and a $25.0 million senior secured first-lien revolving credit facility (the "Revolving Credit Facility", and together with the Term Loan, the "Debt Financing") to Owl Rock Technology Finance Corp. ("Owl Rock") in connection with the probable acquisition of Title365 (the "Financing");

ii. The issuance of a Series G Preferred Stock warrant to Owl Rock (the "Warrant Offering") in connection with the Debt Financing which provides for the purchase of up to 1,795,294 Series G Preferred Shares at a per share price of $4.609274 if exercised prior to an Initial Public Offering of the Company ("IPO"), or 1,795,294 shares of Class A Common Stock if exercised after an IPO;

iii. Our probable acquisition of Title365 pursuant to the Stock Purchase Agreement entered into on March 12, 2021 (the "Planned Acquisition"); and

iv. The conversion of all of Blend's Class A Common Stock, Class B Common Stock, Founders Convertible Preferred Stock, and Convertible Preferred Stock into shares of Class A Common Stock and the stock option award issued to the Company's Founder (the "Non-Plan Executive Grant") in anticipation of this offering (the "IPO Offering") and the filing and effectiveness of our amended and restated certificate of incorporation that will become effective immediately prior to the completion of this offering.

The Financing, the Warrant Offering, the Planned Acquisition, and the IPO Offering (collectively, the "Transactions") and such other adjustments as described in the accompanying notes are reflected in the Unaudited Pro Forma Condensed Combined Balance Sheet as if these Transactions occurred on March 31, 2021. The Unaudited Pro Forma Condensed Combined Statements of Operations for the three months ended March 31, 2021 and the year ended December 31, 2020 give effect to the Transactions as if they had occurred January 1, 2020.

These Unaudited Pro Forma Condensed Combined Financial Statements include adjustments for the Planned Acquisition because we believe the acquisition is both probable and significant under the standards of Rule 3-05 of Regulation S-X. We note that the Planned Acquisition has not been consummated, and may never be consummated, including due to reasons outside of our control. See "*Risk Factors—Risks Related to Our Business and Operations*" for more information.

The Unaudited Pro Forma Condensed Combined Financial Statements were prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to

Financial Disclosures about Acquired and Disposed Businesses," using the assumptions set forth in the notes to the Unaudited Pro Forma Condensed Combined Financial Statements. The Unaudited Pro Forma Condensed Combined Financial Statements have been adjusted to include estimated Transaction accounting adjustments, which reflect the application of the accounting required by generally accepted accounting principles in the United States ("GAAP"), linking the effects of the Transactions listed above to the Company's historical consolidated financial statements.

The pro forma adjustments are based upon currently available information and certain assumptions that Blend's management believes are reasonable and are subject to change as additional information becomes available. We describe in greater detail the assumptions underlying the pro forma adjustments in the accompanying notes, which should be read in conjunction with these Unaudited Pro Forma Condensed Combined Financial Statements. The actual adjustments to our audited and unaudited historical consolidated financial statements will depend upon a number of factors and additional information that will be available on or after the closing of this offering. Accordingly, the actual adjustments that will appear in our financial statements will differ from these pro forma adjustments, and those differences may be material. The Unaudited Pro Forma Condensed Combined Financial Statements do not give effect to the potential impact of current financial conditions, or any anticipated revenue enhancements, cost savings or operating synergies that may result from the Transactions.

The consummation of the Planned Acquisition remains subject to satisfaction of customary closing conditions which are expected to be satisfied in the second or third quarter of 2021. We have reflected within the Unaudited Pro Forma Condensed Combined Financial Statements the Planned Acquisition using the acquisition method of accounting for business combinations under GAAP. Under the acquisition method of accounting, the total consideration paid is allocated to an acquired company's tangible and intangible assets, liabilities, and any noncontrolling interest based on their estimated fair values as of the acquisition date. We have not completed the Planned Acquisition and therefore, the estimated purchase price and fair value of the assets acquired, and liabilities assumed are preliminary. Once we complete our final valuation processes, we may report changes to the value of the assets acquired and liabilities assumed, as well as the amount of goodwill, and those changes could differ materially from what we present here.

The Unaudited Pro Forma Condensed Combined Financial Statements are presented for information purposes only and are not necessarily indicative of Blend's financial position or results of operations that would have occurred had the events been consummated as of the dates set forth above. In addition, the Unaudited Pro Forma Condensed Combined Financial Statements are not necessarily indicative of Blend's future financial condition or operating results.

The Unaudited Pro Forma Condensed Combined Financial Statements should be read together with "*Capitalization*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," and the historical consolidated annual financial statements and unaudited interim financial statements and the related notes thereto included elsewhere in this prospectus.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

As of March 31, 2021
(in thousands, except par values)

	Blend Labs, Inc. Historical	Title365 Historical (Note 6)	Planned Acquisition Adjustments		Financing Transactions Adjustments		Pro Forma Combined Blend Title365	IPO Adjustments		Blend Labs, Inc. Pro Forma Results
Assets										
Current assets:										
Cash and cash equivalents	$ 352,311	$ 3,565	$ (422,119)	A	$ 220,000	H	$ 153,757	$ —		$ 153,757
Marketable securities	100,840	—	—		—		100,840	—		100,840
Trade and other receivables	14,848	33,489	—		—		48,337	—		48,337
Prepaid expenses and other current assets	18,175	314	—		—		18,489	—		18,489
Restricted cash	173	—	—		—		173	—		173
Total current assets	486,347	37,368	(422,119)		220,000		321,596	—		321,596
Property and equipment, net	4,529	4,128	—		—		8,657	—		8,657
Operating lease right-of-use assets	12,092	4,709	(254)	F	—		16,547	—		16,547
Intangible assets, net	692	1,213	174,787	B	—		176,692	—		176,692
Goodwill	—	—	309,215	D E	—		309,215	—		309,215
Deferred contract costs, non-current	4,556	—	—		—		4,556	—		4,556
Restricted cash, non-current	5,023	330	—		—		5,353	—		5,353
Other non-current assets	6,559	1,477	(1,454)	E	136	H I	6,718	—		6,718
Total assets	$ 519,798	$49,225	$ 60,175		$ 220,136		$ 849,334	$ —		$ 849,334
Liabilities and Stockholders' Equity										
Current liabilities:										
Accounts payable	$ 3,946	$ 2,522	$ 4,150	G	$ —		$ 10,618	$ —		$ 10,618
Deferred revenue, current	14,399	—	—		—		14,399	—		14,399
Accrued compensation	7,256	4,696	—		—		11,952	—		11,952
Other current liabilities	13,634	1,634	—		200	H	15,468	—		15,468
Total current liabilities	39,235	8,852	4,150		200		52,437	—		52,437
Long-term debt	—	—	—		212,926	H	212,926	—		212,926
Other long-term liabilities	4,796	5,938	—		—		10,734	—		10,734
Operating lease liabilities, non-current	13,304	4,802	(347)	F	—		17,759	—		17,759
Total liabilities	57,335	19,592	3,803		213,126		293,856	—		293,856
Commitments and contingencies										
Redeemable noncontrolling interest	—	—	46,382	D	—		46,382	—		46,382
Stockholders' equity:										
Founders Convertible Preferred Stock, $0.00001 par value	$ —	$ —	$ —		$ —		$ —	$ —	K	$ —
Convertible Preferred Stock, $0.00001 par value	702,940	—	—		—		702,940	(702,940)	K	—
Class A common stock, $0.00001 par value	—	—	—		—		—	—	K	—
Class B common stock, $0.00001 par value	1	—	—		—		1	(1)	K	—
Preferred stock, $0.00001 par value	—	—	—		—		—	—		—
Class A common stock, $0.00001 par value	—	—	—		—		—	—	K	—
Class B common stock, $0.00001 par value	—	—	—		—		—	—	K	—
Class C common stock, $0.00001 par value	—	—	—		—		—	—	K	—
Additional paid-in capital	59,431	—	—		7,010	H	66,441	725,982	J K	792,423
Accumulated other comprehensive income	10	—	—		—		10	—		10
Accumulated deficit	(299,919)	—	39,623	E G	—		(260,296)	(23,041)	J	(283,337)
Invested equity	—	29,633	(29,633)	C	—		—	—		—
Total stockholders' equity	462,463	29,633	9,990		7,010		509,096	—		509,096
Total liabilities, redeemable noncontrolling interest, and stockholders' equity	$ 519,798	$49,225	$ 60,175		$ 220,136		$ 849,334	$ —		$ 849,334

See accompanying "Notes to the Unaudited Pro Forma Condensed Combined Financial Statements"

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the Three Months Ended March 31, 2021
(in thousands, except share and per share data)

	Blend Labs, Inc. Historical	Title365 Historical (Note 6)	Planned Acquisition Adjustments		Financing Transactions Adjustments		Pro Forma Combined Blend Title365		IPO Adjustments		Blend Labs, Inc. Pro Forma Results	
Revenue	$ 31,875	$ 73,118	$ —		$ —		$ 104,993		$ —		$ 104,993	
Cost of revenue	10,860	48,954	—		—		59,814		—		59,814	
Gross profit	21,015	24,164	—		—		45,179		—		45,179	
Operating expenses												
Research and development	17,074	668	—		—		17,742		—		17,742	
Sales and marketing	15,865	580	5,406	L	—		21,851		—		21,851	
General and administrative	15,283	641	113	L M N	—		16,037		4,971	V	21,008	
Total operating expenses	48,222	1,889	5,519		—		55,630		4,971		60,601	
Net operating income (loss)	(27,207)	22,275	(5,519)		—		(10,451)		(4,971)		(15,422)	
Other income (expense), net	150	53	—		(5,585)	S T	(5,382)		—		(5,382)	
Income (loss) before income taxes	(27,057)	22,328	(5,519)		(5,585)		(15,833)		(4,971)		(20,804)	
Provision for income taxes	10	5,361	(5,256)	Q R	63	Q	178		56	Q	234	
Net income (loss)	$ (27,067)	$ 16,967	$ (263)		$ (5,648)		$ (16,011)		$ (5,027)		$ (21,038)	
Net income (loss) attributable to noncontrolling interests	—	—	1,680	U	—		1,680	U	—		1,680	
Net income (loss) attributable to Blend Labs, Inc.	$ (27,067)	$ 16,967	$ (1,943)		$ (5,648)		$ (17,691)		$ (5,027)		$ (22,718)	
Pro forma loss per share:												
Basic and diluted							$ (0.13)	W			$ (0.04)	X
Pro forma number of shares used in computing loss per share:												
Basic and diluted							135,271	W			598,783	X

See accompanying "Notes to the Unaudited Pro Forma Condensed Combined Financial Statements"

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2020
(in thousands, except share and per share data)

	Blend Labs, Inc. Historical	Title365 Historical (Note 6)	Planned Acquisition Adjustments		Financing Transactions Adjustments		Pro Forma Combined Blend Title365		IPO Adjustments		Blend Labs, Inc. Pro Forma Results	
Revenue	$ 96,029	$ 212,098	$ —		$ —		$ 308,127		$ —		$ 308,127	
Cost of revenue	34,289	155,859	—		—		190,148		—		190,148	
Gross profit	61,740	56,239	—		—		117,979		—		117,979	
Operating expenses												
Research and development	55,503	3,806	—		—		59,309		—		59,309	
Sales and marketing	51,420	3,525	21,625	L	—		76,570		—		76,570	
General and administrative	30,108	2,954	14,859	L M N O P	—		47,921		42,927	V	90,848	
Total operating expenses	137,031	10,285	36,484		—		183,800		42,927		226,727	
Net operating income (loss)	(75,291)	45,954	(36,484)		—		(65,821)		(42,927)		(108,748)	
Other income (expense), net	700	422	—		(22,474)	S T	(21,352)		—		(21,352)	
Income (loss) before income taxes	(74,591)	46,376	(36,484)		(22,474)		(87,173)		(42,927)		(130,100)	
Provision for income taxes	26	10,332	(53,013)	Q R	75	Q	(42,580)		143	Q	(42,437)	
Net income (loss)	$ (74,617)	$ 36,044	$ 16,529		$ (22,549)		$ (44,593)		$ (43,070)		$ (90,904)	
Net income (loss) attributable to noncontrolling interests	—	—	3,241	U	—		3,241	U	—		3,241	
Net income (loss) attributable to Blend Labs, Inc.	$ (74,617)	$ 36,044	$ 13,288		$ (22,549)		$ (47,834)		$ (43,070)		$ (90,904)	
Pro forma loss per share:												
Basic and diluted							$ (0.40)	W			$ (0.15)	X
Pro forma number of shares used in computing loss per share:												
Basic and diluted							118,221	W			598,783	X

See accompanying "Notes to the Unaudited Pro Forma Condensed Combined Financial Statements"

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1 – Description of the Transactions and Basis of Presentation

The Unaudited Pro Forma Condensed Combined Financial Statements are based on the historical financial statements of Blend and Title365 after giving effect to (i) the Debt Financing, (ii) the Warrant Offering, (iii) the Planned Acquisition, (iv) the IPO Offering, and (v) such other adjustments as described in these notes.

The Unaudited Pro Forma Condensed Combined Financial Statements were prepared in accordance with Article 11 of Regulation S-X, as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses," and present the pro forma financial condition and results of operations of the Company based upon the historical financial information after giving effect to the Transactions and related adjustments set forth in the notes to the Unaudited Pro Forma Condensed Combined Financial Statements.

The Unaudited Pro Forma Condensed Combined Statements of Operations for the three months ended March 31, 2021 and the year ended December 31, 2020 give pro forma effect to the Transactions as if they had occurred on January 1, 2020. The Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2021, gives effect to the Transactions as if they had occurred on March 31, 2021. The Unaudited Pro Forma Condensed Combined Financial Statements have been prepared on a combined basis.

(i) The Debt Financing

Blend has obtained commitments from Owl Rock to provide the Debt Financing in the form of a $225.0 million Term Loan and a $25.0 million Revolving Credit Facility. The Term Loan is expected to be funded at the closing of the Planned Acquisition to assist in payment of the purchase price. The Revolving Credit Facility is expected to remain undrawn.

The Term Loan and Revolving Credit Facility will mature on the date that is 5 years after the closing date of the Planned Acquisition. The Term Loan will not amortize and both the Term Loan and Revolving Credit Facility will accrue interest at a rate equal to the London Interbank Offer Rate for dollars ("LIBOR") subject to a floor of 1.00% per annum (the "Adjusted LIBOR") plus 7.50% or the Alternate Base Rate ("ABR") as determined by the highest of (i) the prime commercial lending rate published by the Wall Street Journal as the "prime rate", (ii) the Federal Funds Effective Rate plus 0.50% and (iii) the one-month Adjusted LIBOR plus 1.00% per annum subject to a floor of 2.00% plus 6.50%. Interest is payable in cash on a quarterly basis.

In connection with the Debt Financing, Blend is required to pay at the closing of the Planned Acquisition certain origination fees (the "Closing Fees"), and an annual Administrative Fee. Additionally, Owl Rock is entitled to an exit fee (the "Exit Fee"), which shall be due and payable on the earliest to occur:

a) The maturity date of the Term Loan;

b) The date on which all amounts then outstanding under the Term Loan are paid in full;

c) The acceleration of the obligations with respect to the Term Loan for any reason;

d) Any event of default as defined by the Term Loan;

e) Any repayment resulting from or in connection with a change of control.

Should the closing date of the Planned Acquisition be greater than 121 days after March 12, 2021, a Ticking Fee shall accrue on the Term Facility. With regards to the Revolving Credit Facility, Blend will be

charged an Unused Commitment Fee of 0.5% per annum on the average daily unused portion of the Revolving Credit Facility. The Unused Commitment Fee is payable quarterly in arrears.

The Unaudited Pro Forma Condensed Combined Balance Sheet assumes that the Closing Fees of $4.5 million will be paid in cash on the date of the closing of the Planned Acquisition and included as debt issuance costs which offset the Term Loan included in Long-term debt. In addition to the Closing Fees, Blend incurred legal and other professional fees of $0.6 million, which are also classified as debt issuance costs. The Unaudited Pro Forma Condensed Combined Statements of Operations include adjustments for the annual Administrative Fee. The Unaudited Pro Forma Condensed Combined Financial Statements excludes the Ticking Fee as it is only payable if the Planned Acquisition has a closing date greater than 121 days after March 12, 2021.

(ii) The Warrant Offering

As an inducement to Owl Rock to provide the Debt Financing, Blend will also issue a ten-year detachable warrant representing 0.25% of the fully diluted share count of Blend (the “Warrant”), or 1,795,294 Series G Preferred Shares if exercised prior to an IPO. If the Warrant is exercised after an IPO, the Warrant shall be exercisable for 1,795,294 shares of Class A Common Stock. The Warrant has an exercise price of $4.609274 per share. The Warrant has an estimated fair market value of $7.0 million. The Warrant is equity classified and presented within Additional paid-in-capital on the Unaudited Pro Forma Condensed Combined Balance Sheet.

(iii) The Planned Acquisition

On March 12, 2021, Blend entered into the Stock Purchase Agreement whereby Blend will acquire a 90.1% equity interest in Title365 for an estimated $422.1 million in cash consideration. As part of the Planned Acquisition, Blend will have a call option to purchase the 9.9% noncontrolling interest at a purchase price equal to the greater of (1) $49.5 million plus an amount of interest calculated using an interest rate of 5.0% per annum compounding annually; or (2) 4.4x the trailing 12-month EBITDA (the “Title365 Call Option”). The Title365 Call Option is exercisable beginning 2 years following the Planned Acquisition closing date. The noncontrolling interest holder also holds a put option to require Blend to purchase the remaining 9.9% noncontrolling interest at a price calculated in the same manner as the Title365 Call Option (the “Title365 Put Option”). The Title365 Put Option is exercisable beginning 5 years following the Planned Acquisition closing date. Neither the Title365 Call Option nor the Title365 Put Option have an expiration date.

The Unaudited Pro Forma Condensed Combined Financial Statements were prepared using the acquisition method of accounting in accordance with ASC 805, Business Combinations (“ASC 805”). The acquisition method of accounting requires use of the fair value concepts defined in ASC 820, Fair Value Measurement (“ASC 820”). ASC 820 defines fair value as “the price that would be received to sell an
asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” Fair value measurements can be highly subjective, and it is possible the application of reasonable judgment could develop different assumptions resulting in a range of alternative estimates using the same facts and circumstances.

ASC 805 requires, among other things, the determination of the accounting acquirer, the acquisition date, the fair value of assets and liabilities of the acquiree and the measurement of goodwill. Blend has been identified as the acquirer for accounting purposes based on the facts and circumstances specific to this Planned Acquisition and as a result, will apply the acquisition method

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

to account for the acquired assets and liabilities of Title365. ASC 805 requires that most identifiable assets acquired, and liabilities assumed, be recognized at their fair values on the acquisition date. Goodwill is recognized for the excess of the consideration transferred over the aggregate fair value of the identifiable assets acquired and liabilities assumed. For purposes of the Unaudited Pro Forma Condensed Combined Financial Statements, the fair values of Title365's identifiable assets acquired, and liabilities assumed were based on preliminary estimates as the Planned Acquisition has not been completed. The final determination of the fair values of assets acquired and liabilities assumed could result in material changes to the amounts presented in the Unaudited Pro Forma Condensed Combined Financial Statements and future results of operations and financial position.

There were no material transactions between Blend and Title365 during the periods presented that would need to be eliminated.

Note 2 – Conforming Accounting Policies and Certain Reclassifications

Upon consummation of the Planned Acquisition, management will perform a comprehensive review of the two entities' accounting policies. As a result of the review, management may identify differences between the accounting policies of the two entities which, when conformed, could have a material impact on the financial statements of the post-combination company. Based on its initial analysis, management did not identify any differences that would have a material impact on the Unaudited Pro Forma Condensed Combined Financial Statements. As a result, the Unaudited Pro Forma Condensed Combined Financial Statements do not assume any differences in accounting policies.

As part of the preparation of the Unaudited Pro Forma Condensed Combined Financial Statements, certain reclassifications were made to align Title365's historical financial statement presentation as identified in Note 6 below.

Note 3 – Preliminary Acquisition Accounting

The table below shows management's calculation of the consideration expected to be transferred to the seller for the acquisition of Title365.

Calculation of Estimated Purchase Price (in thousands)	
Cash consideration transferred to sellers	$ 422,119
Total Purchase Price	$ 422,119

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

The table below represents the purchase consideration and the preliminary estimated fair values of the assets acquired and liabilities assumed for Title365 as of March 31, 2021. The preliminary estimated fair values have been used to prepare pro forma adjustments in the Unaudited Pro Forma Condensed Combined Financial Statements. The determination of fair value for certain assets and liabilities will be completed as soon as the information necessary to complete the analysis is obtained, which may differ materially from the preliminary estimates used in the pro forma adjustments. The primary areas of the preliminary estimates that are not yet finalized relate to identifiable intangible assets and deferred taxes.

Preliminary identifiable assets acquired and liabilities assumed (in thousands)		
Total purchase consideration	$	422,119
Noncontrolling interest		46,382
Cash and cash equivalents		3,565
Trade and other receivables		33,489
Prepaid expenses and other current assets		314
Property and equipment, net		4,128
Operating lease right-of-use assets		4,455
Customer relationships		173,000
Tradenames		3,000
Restricted cash, non-current		330
Other non-current assets		23
Accounts payable		(2,522)
Accrued compensation		(4,696)
Other current liabilities		(1,634)
Other long-term liabilities		(49,711)
Operating lease liabilities, non-current		(4,455)
Net identifiable assets		159,286
Goodwill	$	309,215

Note 4 – Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

The pro forma adjustments included in the Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2021 are as follows:

(A) Represents a decrease of $422.1 million in cash for the Planned Acquisition purchase price. See Note 3 – Preliminary Acquisition Accounting for details on management's calculation of the purchase price.

(B) Represents an increase of $176.0 million related to fair market value of intangible assets, partly offset by the $1.2 million removal of the historical Title365 intangible assets. See Note 3 – Preliminary Acquisition Accounting.

(C) Represents the elimination of Title365's historical equity.

(D) Represents an increase of $309.2 million related to goodwill, which was calculated as the excess of the sum of (i) the estimated purchase price of $422.1 million; (ii) $46.4 million estimated fair value of the redeemable noncontrolling interest as of March 31, 2021; over the $159.3 million in net assets acquired. See Note 3 – Preliminary Acquisition Accounting for details on management's calculation of goodwill.

(E) Represents an increase of $43.8 million related to deferred tax liabilities expected to be recorded as part of the Planned Acquisition, primarily attributable to the fair value adjustments

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

to be recorded for book and not for tax purposes in acquisition accounting. The deferred tax liability was netted against Title365's historical net deferred tax assets of $1.4 million and was then offset against Blend's historical deferred tax assets before recording a valuation allowance, thereby reducing the net deferred tax liability to zero.

(F) Reflects the adjustment of the acquired operating lease assets and operating lease liabilities related to assumed operating leases to their fair value, as measured under ASC 842, as of March 31, 2021.

(G) Represents non-recurring transaction-related costs of approximately $4.2 million which are expected to be incurred in connection with the Planned Acquisition.

(H) Represents an increase of $225.0 million in cash related to borrowings associated with the Term Loan, less $5.1 million of debt issuance costs to be paid at the closing of the Planned Acquisition. A portion of legal and other professional fees of $0.2 million are not paid at close and accrued as Other current liabilities. Additionally, the Warrant issued to Owl Rock in connection with the Debt Financing has an estimated fair market value of $7.0 million and is included within additional paid-in-capital.

Description	Balance
Closing Fees	$ 4,500,000
Legal and Professional Fees	564,499
Total Debt Issuance Costs	$ 5,064,499
Estimated Fair value of Warrant	7,009,602
Estimated debt discount	$ 12,074,101

(I) The separate Closing Fee of $0.6 million associated with the Revolving Credit Facility commitment amount, less $0.4 million of previously accrued debt issuance costs is reflected in Other current assets.

(J) Reflects the incremental stock-based compensation expense in connection with the Non-Plan Executive Grant which has been awarded to the Founder in anticipation of the IPO Offering. The Non-Plan Executive Grant provides for a maximum of 78,171,543 shares of Class A Common Stock with an exercise price of $2.86 vesting in multiple tranches. The first tranche of 5,862,866 shares will vest upon successful completion of an IPO. The estimated grant date fair value of the first tranche was $3.93 per share. The remaining tranches of shares will vest dependent on performance goals tied to the Company's stock price and specified expiration dates for each tranche. The weighted average estimated grant date fair value of the remaining tranches was $1.32 per share.

(K) Reflects the conversion of outstanding Class A Common Stock, Class B Common Stock, Founders Convertible Preferred Stock, and Convertible Preferred Stock into Class A Common Stock and the filing and effectiveness of our amended and restated certificate of incorporation that will become effective immediately prior to the completion of the IPO Offering.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

Note 5 – Adjustments to Unaudited Pro Forma Condensed Combined Statement of Operations

The pro forma adjustments included in the Unaudited Pro Forma Condensed Combined Statements of Operations for the three months ended March 31, 2021 and the year ended December 31, 2020 are as follows:

(L) Reflects the estimated incremental amortization expense of $5.7 million and $22.6 million related to the finite-lived intangible assets identified in connection with the Planned Acquisition, net of the historical amortization expense of $0.1 million and $0.5 million included within General and administrative for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively.

Identifiable Intangible Assets	Estimated Fair Value *(in thousands)*	Estimated Useful Life in Years	Classification within Statement of Operations	Three Months Ended March 31, 2021 Amortization Expense	Year ended December 31, 2020 Amortization Expense
Customer Relationships	$ 173,000	8	Sales and marketing	$ 5,406	$ 21,625
Tradename	3,000	3	General and administrative	250	1,000
Subtotal	$ 176,000			$ 5,656	$ 22,625
Less: Historical Amortization Expense				130	525
Increase / (Decrease) in Amortization Expense				$ 5,526	$ 22,100

(M) Reflects the estimated decrease in rent expense of $1.0 million and $0.8 million associated with the operating leases for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively, due to leases for which Title365 is allocated costs from Mr. Cooper that will not be assumed by Blend as part of the Planned Acquisition.

(N) Reflects the incremental compensation expense related to retention and stock-based compensation awards of $1.0 million and $4.1 million issued to Key Employees for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively. Awards vest equally over a two-year period following the Planned Acquisition closing date.

(O) Represents non-recurring acquisition related expenses of $4.2 million which are expected to be incurred in connection with the Planned Acquisition.

(P) Reflects expenses of $6.9 million for the year ended December 31, 2020 associated with the transition services agreement (the "Transition Services Agreement") expected to be in effect between the Company and Mr. Cooper. The Transition Services Agreement is expected to be signed concurrent with the closing of the Planned Acquisition and to remain in place for a period of 12 months.

(Q) Reflects the income tax effect of pro forma adjustments using the estimated effective tax rate of (1.1%) and (0.3%) for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively.

(R) All adjustments have been tax effected using the estimated effective tax rate of (1.1%) and (0.3%) for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively. The effective tax rate has been applied as it is expected to significantly vary from

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

the statutory rate (24.8%) in future years. A reconciliation of the net tax adjustment is as follows:

For the three months ended March 31, 2021 *(in thousands)*

Description	Adjustment Amount	(Tax Benefit) / Provision *(rounded)*
Increase in Amortization Expense *Refer to adjustment (L)*	$ (5,526)	$ 62
Decrease in ASC 842 Lease Expense *Refer to adjustment (M)*	$ 1,032	$ (12)
Increase in Compensation expense *Refer to adjustment (N)*	$ (1,026)	$ 12
Other Pro forma Tax Adjustments(1)		$ (5,318)
Total Tax Adjustment		**$ (5,256)**

For the year ended December, 31, 2020 *(in thousands)*

Description	Adjustment Amount	(Tax Benefit) / Provision *(rounded)*
Increase in Amortization Expense *Refer to adjustment (L)*	$ (22,100)	$ 74
Decrease in ASC 842 Lease Expense *Refer to adjustment (M)*	$ 813	$ (3)
Increase in Compensation expense *Refer to adjustment (N)*	$ (4,102)	$ 14
Acquisition related expenses *Refer to adjustment (O)*	$ (4,150)	$ 14
Transition Services Agreement expense *Refer to adjustment (P)*	$ (6,945)	$ 24
Other Pro forma Tax Adjustments(1)		$ (10,264)
Release of Blend deferred tax asset valuation allowance(2)		$ (42,872)
Total Tax Adjustment		**$ (53,013)**

(1) Other pro forma tax adjustments are primarily driven by the reversal of Title365's historical tax provision for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively. Subsequent to the Planned Acquisition, Blend will be able to utilize its future losses to offset taxable income generated by Title365 on its consolidated federal income tax return and in states that allow consolidated or combined income tax returns.

(2) Reflects the $42.9 million benefit associated with the release of Blend's historical deferred tax valuation allowance primarily due to the acquired taxable temporary differences originating in the pro forma acquisition adjustments. Pursuant to ASC 740-10-30-17, the Company considered future reversals of taxable temporary differences on a combined reporting basis as a source of taxable income and released the historical valuation allowance on its net deferred tax assets due to this additional source of taxable income.

(S) Reflects the increase in interest expense of $5.5 million and $22.2 million related to the Term Loan, for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively, inclusive of $5.1 million of debt issuance costs amortized over the 5-year life of the Term Loan and the $4.5 million Exit Fee to be paid upon maturity. A 0.125% change in the assumed interest rate would result in a change in the interest expense of approximately $0.3 million.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

(T) Reflects the increase in expense associated with the Administrative Fee and the Unused Commitment Fee on the Revolving Credit Facility, net of amortization expense recognized on a straight-line basis over the 5-year term of the Revolving Credit Facility.

(U) Reflects the allocation of net income attributable to the Title365 noncontrolling interest.

(V) Represents the $5.0 million and $42.9 million expense associated with the vesting of the Non-Plan Executive Grant for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively.

(W) The basic and diluted pro forma net loss per share of common stock represents the net loss attributable to Blend divided by the number of shares owned by the existing owners prior to giving effect to any IPO related conversions and offerings.

(X) The basic and diluted pro forma net loss per share of common stock represents the net loss attributable to Blend divided by the number of shares of common stock that will be outstanding after this offering, which does not include the shares of Class A common stock to be issued in this offering and reflects the following Capital Stock Conversion and Class B Stock Exchange:

- The conversion of 440,617,888 shares of convertible preferred stock that will automatically convert into 440,617,888 shares of Class A common stock immediately prior to the completion of this offering;
- 566,032,624 shares of Class A common stock outstanding, which number of shares excludes the shares being exchanged in the Class B Stock Exchange described below; and
- 32,750,000 shares of our Class B common stock, which reflects shares of our Class A common stock beneficially owned by Nima Ghamsari that will be exchanged for an equivalent number of shares of our Class B common stock immediately prior to the completion of this offering pursuant to the terms of an exchange agreement (the “Class B Stock Exchange”).

Excluded from basic and diluted pro forma net loss per share is 5,862,866 options awarded to the Founder that will vest upon successful completion of an IPO as described above in Note 4 – Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet (Note J). The shares will not be outstanding upon the IPO unless they are exercised by the Founder. The impact of including these options in the pro forma net loss per share of common stock would be anti-dilutive.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

Note 6 – Reclassification Adjustments for Title365

Certain balances were reclassified from Title365's Carve-Out Financial Statements so that their presentation would be consistent with that of Blend's after the Planned Acquisition. These reclassification adjustments are based on management's preliminary adjustments. Additional differences or reclassification adjustments may be identified that, when conformed, could have a material impact on these Unaudited Pro Forma Condensed Combined Financial Statements.

	Title365 Historical Carve-Out Balance Sheet As of March 31, 2021 *(in thousands)*			
	Historical Title 365 - Before Reclassifications	Reclassifications		Historical Title 365 - After Reclassifications
Assets				
Current assets:				
Cash and cash equivalents	$ 3,565	$ —		$ 3,565
Marketable securities	—	—		—
Accounts receivable - net	33,489	(33,489)	a	—
Trade and other receivables	—	33,489	a	33,489
Prepaid expenses	314	(314)	b	—
Prepaid expenses and other current assets	—	314	b	314
Total current assets	37,368	—		37,368
Property and equipment - net	8,837	(4,709)	c	4,128
Operating lease right-of-use assets	—	4,709	c	4,709
Intangible assets - net	1,213	—		1,213
Restricted cash	330	—		330
Deferred contract costs, non-current	—	—		—
Deposits and other assets	23	(23)	d	—
Deferred income taxes	1,454	(1,454)	d	—
Other non-current assets	—	1,477	d	1,477
Total assets	$ 49,225	$ —		$ 49,225
Liabilities and Stockholders' Equity				
Current liabilities:				
Accounts payable	$ 2,522	$ —		$ 2,522
Deferred revenue, current	—	—		—
Accrued salaries and commissions	4,696	(4,696)	e	—
Accrued compensation	—	4,696	e	4,696
Title fees payable	536	(536)	f	—
Allowance for title and escrow losses	1,098	(1,098)	f	—
Other current liabilities	—	1,634	f	1,634
Total current liabilities	8,852	—		8,852
Operating lease liabilities, non-current	4,802	—		4,802
Other liabilities	5,731	(5,731)	g	—
Other long-term liabilities	—	5,938	g	5,938
Due to affiliates	207	(207)	g	—

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

	Title365 Historical Carve-Out Balance Sheet As of March 31, 2021 *(in thousands)*		
	Historical Title 365 - Before Reclassifications	Reclassifications	Historical Title 365 - After Reclassifications
Total liabilities	19,592	—	19,592
Commitments and contingencies	—	—	—
Stockholders' equity:			
Invested Equity	29,633	—	29,633
Total stockholders' equity / Invested Equity	29,633	—	29,633
Total liabilities and stockholders' equity / Invested Equity	$ 49,225	$ —	$ 49,225

a. To reclassify "Accounts receivable - net" to "Trade and other receivables".
b. To reclassify "Prepaid expenses" to "Prepaid expenses and other current assets".
c. To reclassify operating lease right-of-use assets included in "Property and equipment – net" to "Operating lease right-of-use assets".
d. To reclassify "Deposits and other assets", "Deferred income taxes", and "Due from affiliates" to "Other non-current assets".
e. To reclassify "Accrued salaries and commissions" to "Accrued compensation".
f. To reclassify "Title fees payable" and "Allowance for title and escrow losses" to "Other current liabilities".
g. To reclassify "Other liabilities" and "Due to affiliates" to "Other long-term liabilities".

	Title365 Historical Carve-Out Statement of Operations Three Months Ended March 31, 2021 *(in thousands)*			
	Historical Title 365 - Before Reclassifications	Reclassifications		Historical Title 365 - After Reclassifications
Revenue	$ 73,118	$ —	$	73,118
Cost of revenue	—	48,954	h	48,954
Gross Profit	73,118	48,954		24,164
Operating expenses				
Salaries, benefits and other compensation	13,433	(13,433)	h	—
Research and development	—	668	h	668
Sales and marketing	—	580	h	580
General and administrative	37,410	(36,769)	h	641
Total operating expenses	50,843	(48,954)		1,889
Net operating income	22,275	—		22,275
Other income (expense)				
Interest income	—	—		—
Other income (expense), net	53	—		53
Total other income (expense)	53	—		53

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

Title365
Historical Carve-Out Statement of Operations
Three Months Ended March 31, 2021
(in thousands)

	Historical Title 365 - Before Reclassifications	Reclassifications	Historical Title 365 - After Reclassifications
Income before income taxes	22,328	—	22,328
Provision for income taxes	5,361	—	5,361
Net income	$ 16,967	$ —	$ 16,967

Title365
Historical Carve-Out Statement of Operations
Year Ended December 31, 2020
(in thousands)

	Historical Title 365 - Before Reclassifications	Reclassifications		Historical Title 365 - After Reclassifications
Gross title premiums	$ 98,770	$ (98,770)	i	$ —
Escrow and sub escrow fees	75,631	(75,631)	i	—
Other service income	37,697	(37,697)	i	—
Revenue	—	212,098	i	212,098
Cost of revenue	—	155,859	h	155,859
Gross Profit	212,098	155,859		56,239
Operating expenses				
Salaries, benefits and other compensation	47,727	(47,727)	h	—
Research and development	—	3,806	h	3,806
Sales and marketing	—	3,525	h	3,525
General and administrative	118,417	(115,463)	h	2,954
Total operating expenses	166,144	(155,859)		10,285
Net operating income	45,954	—		45,954
Other income (expense)				
(Loss) gain on disposal of property and equipment	(127)	127	j	—
Interest income	2	(2)	j	—
Other income (expense), net	547	(125)	j	422
Total other income (expense)	422	—		422
Income before income taxes	46,376	—		46,376

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

	Title365 Historical Carve-Out Statement of Operations Year Ended December 31, 2020 *(in thousands)*		
	Historical Title 365 - Before Reclassifications	Reclassifications	Historical Title 365 - After Reclassifications
Provision for income taxes	10,332	—	10,332
Net income	$ 36,044	$ —	$ 36,044

h. To reclassify “Salaries, benefits, and other compensation” and “General and administrative” to “Cost of revenue”, “Research and development” and “Sales and marketing”.

i. To reclassify “Gross title premiums”, “Escrow and sub escrow fees”, and “Other service income” to “Revenue”.

j. To reclassify “Interest income” and “(Loss) gain on disposal of property and equipment” to “Other income (expense), net”.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the sections "Prospectus Summary—Summary Consolidated Financial and Other Data" and "Unaudited Pro Forma Condensed Combined Financial Information" and the consolidated financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the section titled "Risk Factors" or in other parts of this prospectus. Our fiscal year ends December 31.

Overview

It's our vision to bring simplicity and transparency to financial services, so everyone can gain access to the capital they need to lead better lives. To realize this vision, we have built a market-leading cloud-based software platform for financial services firms that is designed to power the end-to-end consumer journey for any banking product. Our software platform was built in an extensible, modular, and configurable fashion to support continued product expansion. In addition, we have over 2,200 currently active technology, data, and service providers on our software platform, including an extensive marketplace of insurance carriers, realtors, and settlement agencies. Our products and marketplaces provide multiple opportunities for us to serve financial services firms and consumers and drive revenue growth. We believe the addressable market for our offerings will continue to grow over time as we add more products to our software platform, grow our ecosystem, and expand internationally. As more financial services firms adopt our software platform, we believe the number of consumers using our marketplaces will grow, which will then attract more service providers to our ecosystem.

Financial services firms may not have the resources and in-house software expertise to meet rising consumer expectations. Since our inception, we have invested in our software platform to simplify complex financial transactions for customers and consumers, and we have consistently innovated to achieve the following key milestones:

Timeline of Key Blend Milestones

12. A completed banking transaction includes funded loans and new account openings.

Our rapid growth reflects continued product innovation and increased transaction volume as we continue to attract financial services firms to our software platform and grow with them as they serve consumers. Financial services firms have been shifting for years to a digital-first approach to acquiring consumers and deepening existing consumer relationships. This imperative to compete through digital-first consumer experiences creates a compelling opportunity for Blend. We believe there is a large, untapped opportunity to provide additional product offerings and drive increased transaction volume for financial institutions and consumers using our software platform.

Our revenue was $50.7 million and $96.0 million for 2019 and 2020, respectively, an increase of 90%. We incurred net losses of $81.5 million and $74.6 million for 2019 and 2020, respectively, as we have continued to invest in growth to capture the large market opportunity available to us.

Our Business Model

Our success-based business model is designed to align our growth with the interests of our customers. We offer our products through software-as-a-service agreements where fees are assessed based on completed transactions, such as a funded loan, new account opening, or closing transaction. We do not charge for abandoned applications or rejected applications, even though they cause us to incur costs related to these applications. Completed transaction fees are determined by the number and type of software platform components that are needed to support each product offering. Completed transaction fees are not impacted by the dollar size of transactions; however, we provide volume-based discounts to customers as they complete a higher volume of transactions on our software platform. Customers also have the opportunity to secure discounts by agreeing to contractual minimums. With our success-based business model, we are focused on driving revenue growth by enabling our customers to more efficiently process and complete transactions using our software platform.

We focus on customer success to drive transaction volumes and opportunities for follow-on sales. Our products are sold through a direct sales force that continues to manage customer relationships on an ongoing basis post-sale. Customers often complete an initial deployment for one or two products and then add more products over time. The length of the sales cycle for our products generally declines for the second and subsequent products we sell to a financial services firm, highlighting our high customer satisfaction.

To date, we have generated an immaterial amount of revenue through commissions or service fees when consumers use our integrated marketplaces to select a real estate agent, property and casualty insurance carrier, or title and settlement services entity. These commissions or service fees are generated from consumers and are incremental to what we earn from our financial services firm customers on completed transactions. Our marketplaces are intended to provide greater consumer choice and flexibility and to help financial services firms by providing them with a more complete offering in partnership with Blend. As we drive adoption of our software platform, we expect these commissions and service fees to comprise a larger part of our revenue.

Customer Cohort Analysis

Our success depends in part on increasing the volume of transactions that take place on our software platform. This occurs as we add new customers and complete more transactions with existing customers, including when our existing customers adopt additional products. In our customer cohort analysis, we include transactions from our products and on our marketplaces. Our software platform is built to be extensible, modular, and configurable, so that our customers can easily utilize our pre-built

workflow technology, our marketplaces, and our integrations with technology, data, and service providers. We design our new offerings to be highly complementary to existing ones in order to increase the speed of adoption and efficiently scale our revenue. This increasing attachment contributes further to our growth. As highlighted below, the aggregate revenue associated with customers acquired in any year have expanded since they first began using Blend.

Revenue by Cohort

To illustrate the economics of our customer relationships, we are providing an analysis of the revenue growth to date of the customers we acquired during 2018, which we refer to as the 2018 Cohort, and customers we acquired during 2019, which we refer to as the 2019 Cohort. To provide context, we have also included the customers we acquired in 2020. We selected the 2018 Cohort and 2019 Cohort to illustrate the potential long-term growth of our customer base. The 2018 Cohort and 2019 Cohort represent various financial services firms and include some that have expanded their usage of our software platform as well as those that have reduced or terminated their use of our software platform, and we believe the 2018 Cohort and 2019 Cohort fairly represent our overall customer base. These customer cohorts reflect the success of our “land and expand” approach to growing customer relationships. Once we have acquired a new customer and completed our initial deployment, we are well positioned to introduce more products and marketplaces.

Dollar-Based Net Retention Rate

Dollar-based net retention rate is an important indicator of our ability to retain and expand our customer relationships. We calculate our dollar-based net retention rate at the end of each fiscal quarter. We calculate our dollar-based net retention rate by starting with the revenue associated with customers in the same quarter of the prior year, or Prior Period Revenue. We then calculate the revenue associated with these same customers in the same quarter of the current year, or Current Period Revenue. Current Period Revenue includes any upsells and is net of contraction or attrition but excludes revenue from new customers. We then repeat the calculation of Prior Period Revenue and Current Period Revenue with respect to each of the preceding three quarters and aggregate the four Prior Period Revenues, or the Aggregate Prior Period Revenue, and the four Current Period Revenues, or the Aggregate Current

Period Revenue. Our dollar-based net retention rate equals the Aggregate Current Period Revenue divided by Aggregate Prior Period Revenue. Our dollar-based net retention rate was 142%, 162%, 134%, and 179% as of December 31, 2019 and 2020 and March 31, 2020 and 2021, respectively. The increase is primarily attributable to growth in the volume of transactions with existing customers and cross-sell of additional products to those customers.

Key Factors Affecting Our Performance

Ability to Increase Transaction Volume

Our success-based business model results in our revenue growing as we increase our transaction volume. We increase transaction volume on our software platform in part by attracting new customers and growing our relationships with existing customers. We need to address the evolving needs of our customers and increase their usage of our software platform. Under our "Customer First" model, we focus on building successful long-term relationships and aligning revenue growth with value delivery. We invest in our customers' success, beginning with an initial onboarding and rollout plan for each customer. We also monitor utilization rates by customers on our software platform to manage expanded use over time. Our proven ability to grow transaction volume has been a function of product depth, technological excellence, and the ability of our sales and marketing teams to match our solutions with the strategic objectives of our customers. Our software platform enables customers to process transaction volumes more effectively and create a better consumer experience.

As financial services firms realize the benefits of our software platform and expand use of our product offerings, this continues to drive transaction volume on our software platform. In 2020, we enabled lenders to originate nearly $1.4 trillion in loans, more than double the dollar amount of loans enabled by our software platform in 2019 of $540 billion. As of December 31, 2020, we had 291 customers, including 18 customers generating more than $1 million in annual revenue, which represented 53% of our revenue in 2020. As of December 31, 2019, we had nine customers generating more than $1 million in annual revenue, which represented 49% of our revenue in 2019. By generating customer value, we are able to sell additional products through our land and expand strategy. We believe that investment in sales and marketing will contribute to our long-term growth but may also negatively impact our short-term profitability. For 2020, our sales and marketing spend represented 53.5% of our revenue.

By increasing transaction volume on our software platform, we also enable and drive our marketplace business. Our curated set of integrated marketplaces enable consumers to shop for products and services at the precise moment of need as they apply for loans and other products. As we enable a greater volume and diversity of transactions on our software platform, we can help a greater number of consumers locate competitive service providers and build trust with the Blend brand. Revenue from our marketplace business is driven by our transaction volume and success of matching consumers with service providers.

Investments in Growth

Our ability to maintain a differentiated platform and offering is dependent upon our speed of innovation. We will invest in our software platform to drive innovation and maintain our position as a leading provider of software for financial services firms for any banking product. To drive adoption and increase penetration within our customer base, we will continue to rapidly introduce new products and features. While we focus today on consumer banking, we believe we can rapidly expand our library of modular components to support commercial banking products as well. In addition, our low-code, drag-and-drop design tools will enable our customers to bring new, innovative products to market quickly and positions us with what we believe is a market-leading combination of platform capabilities and

out-of-the-box product offerings. We believe that investment in research and development will contribute to our long-term growth but may also negatively impact our short-term profitability. For 2020, our research and development spend represented 57.8% of our revenue.

Developments in the Macroeconomic Environment

A large portion of our business is driven by mortgage and mortgage related transaction volumes. We expect the volumes of loans and financial products closed using our software platform will continue to drive our revenue for the foreseeable future. As those volumes are influenced by numerous macroeconomic factors, including interest rates, our business's performance will be impacted as the macro environment changes. For instance, as interest rates rise, we would expect to see lower mortgage volumes. These volumes will affect both our mortgage business and marketplace offerings. We anticipate that as our platform grows and more consumer banking transactions occur on our software platform, we will be less exposed to fluctuations in the macroeconomic environment.

Recent Developments

Acquisition of Title365

We are continually seeking to enhance the end-to-end banking journeys we power through our software platform. To accelerate the adoption of innovations in our mortgage and home equity products, on March 12, 2021 we signed a definitive agreement to acquire Title365, a leading title insurance agency, from Mr. Cooper Group Inc. We have agreed to pay approximately $422.1 million for a 90.1% interest in Title365. In connection with the Proposed Acquisition, we have obtained a commitment letter for debt financing in the form of the $225.0 million Term Loan and the $25.0 million Revolving Credit Facility. The Term Loan is expected to be funded at the closing of the Proposed Acquisition to assist in the payment of the purchase price, and the Revolving Credit Facility is expected to remain undrawn.

Title365 will enable our customers to streamline the title, settlement, and closing process at scale for mortgages, home equity lines of credit, and home equity loans. For 2019 and 2020, Title365 revenue was $105.3 million and $212.1 million, respectively. The acquisition is subject to regulatory approvals and is expected to close in the second or third quarter of 2021.

COVID-19

As a result of the COVID-19 pandemic, we have temporarily closed our offices, required our employees and contractors to work remotely, and implemented travel restrictions, all of which represent a significant disruption in how we operate our business. The operations of our partners and customers have likewise been disrupted. While the duration and extent of the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the duration and spread of the outbreak and the extent and effectiveness of containment actions, it has already had an adverse effect on the global economy and the ultimate societal and economic impact of the COVID-19 pandemic remains unknown. In particular, the conditions caused by this pandemic have adversely affected the rate of global IT spending, although we believe that demand for our software platform and our results of operations have not been adversely affected by the COVID-19 pandemic thus far. Throughout the COVID-19 pandemic, we have continued to partner with our financial services customers to expand the scope and availability of products through our software platform. We have seen a 166% increase in transactions on our software platform from March 2020 through December 2020 compared to the same period in 2019, and we attribute a portion of this increase to the accelerating need for digital transformation at financial services firms. Additionally, we saw a $3.1 million decrease in our sales and marketing spending from 2019 to 2020 as a result of cancelled in-

person events because of restrictions from the COVID-19 pandemic; however, we expect our sales and marketing spending to increase in 2021 as restrictions on in-person events lapse and we spend more on travel, entertainment, trade shows, conferences, and general advertising.

Further, we believe that the COVID-19 pandemic is accelerating the transformation of financial services firms into digital businesses, is causing the regulatory environment to shift in favor of digitization (such as through the use of digital signatures and online notarization), and is driving consumer behavior away from traditional branches and toward digital channels for banking services, which we expect will generate additional opportunities for us in the future.

The future impact of the COVID-19 pandemic on our business remains uncertain. See the section titled *"Risk Factors"* for further discussion of the challenges and risks we have encountered and could encounter related to the COVID-19 pandemic.

Key Components of Results of Operations

Revenue

We generate revenue from fees paid by customers to access our platform. Arrangements with our customers do not provide the contractual right to take possession of our software at any point in time. Revenue is recognized when access to our platform is provisioned to our customers for an amount that reflects the consideration we expect to be entitled to in exchange for those services. To a lesser extent, we generate revenue from professional services related to the deployment of our platform, premium support services, and consulting services. We also have generated an immaterial amount of revenue through commissions or service fees when consumers use our integrated marketplaces to select a real estate agent, property and casualty insurance carrier, or title and settlement services entity.

Our customers have the ability to access our platform under subscription arrangements, in which customers commit to a minimum number of completed transactions at specified prices over the contract term, or under usage-based arrangements, in which customers pay in arrears a variable amount for completed transactions at specified prices. Our subscription arrangements are generally noncancelable, and we may also earn additional overage fees if the number of completed transactions exceeds the contractual amounts. Our usage-based arrangements generally can be terminated at any time by the customer. We recognize revenue ratably for our subscription arrangements because the customer receives and consumes the benefits of our platform throughout the contract period. We recognize fees for usage-based arrangements as the completed transactions are processed using our platform. Revenue from usage-based arrangements represented 12% of our revenue for 2019 and 2020.

In future periods, if we complete the acquisition of Title365, we expect that total revenue will increase significantly in dollar amounts, and that our revenue growth rate will increase in the near term due to the inclusion of Title365 revenue, which was not included in prior periods. We expect, however, that in periods subsequent to the next twelve months following the closing of the Proposed Acquisition, our revenue growth rate will decline.

Cost of Revenue

Cost of revenue consists primarily of costs of subscribed hosting, support, and professional services, which are expensed as incurred. Costs of subscribed hosting and support primarily consist of expenses related to hosting our services, third-party fees related to platform connectivity services, software licenses, amortization of internal use software development costs, and expenses related to providing support to our customers. Costs of professional services consist primarily of personnel-related expenses, including stock-based compensation expense, expenses associated with delivering implementation and other services, travel expenses, and allocated overhead costs. We expect our cost

of revenue to continue to increase in dollar amounts as we grow our business and revenue; however, cost of revenue may fluctuate from period to period and as a percentage of revenue as a result of the volume of application submissions on our platform. For each application submission, we incur third-party costs as described above, including costs for incomplete transactions where we do not charge fees to our customers. The timing of those costs may not be aligned with the revenue recognized. We expect, however, that our cost of revenue will decrease as a percentage of our revenue over the long term as we achieve greater scale in our business, although the percentage may fluctuate from period to period.

In future periods, if we complete the acquisition of Title365, we expect that cost of revenue will increase significantly in dollar amounts and that cost of revenue as a percentage of revenue will increase in the near term. We expect, however, that our cost of revenue will decrease as a percentage of revenue over the long term as we achieve greater scale in our business.

Operating Expenses

Research and Development. Research and development expenses consist primarily of personnel-related expenses, including stock-based compensation expense, associated with our engineering personnel responsible for the design, development, and testing of new products and features, professional and outside services fees, software and hosting costs, and allocated overhead costs. Research and development costs are expensed as incurred. We expect that our research and development expenses will increase in dollar amount as our business grows but will decrease as a percentage of our revenue over the long term, although the percentage may fluctuate from period to period depending on the timing and extent of our research and development expenses.

In future periods, if we complete the acquisition of Title365, we expect that research and development expenses will increase significantly in dollar amounts. We expect, however, that our research and development expenses will decrease as a percentage of revenue.

Sales and Marketing. Sales and marketing expenses consist primarily of personnel-related expenses, including stock-based compensation expense (which includes amounts in excess of fair market value in connection with secondary sales by our then-current and former employees), costs of general marketing activities and promotional activities, travel-related expenses, and allocated overhead costs. Sales commissions that are incremental costs of acquiring a contract with a customer as well as associated payroll taxes, are deferred and amortized on a straight-line basis over the estimated period of benefit, which we have determined to be three years. Sales commissions that are not incremental costs of acquiring a contract with a customer are expensed in the period incurred.

We plan to increase the dollar amount of our investment in sales and marketing for the foreseeable future, primarily for increased headcount for our direct sales organization and investment in brand and product marketing efforts. We expect, however, that our sales and marketing expenses will decrease as a percentage of our revenue over time as our revenue grows, although the percentage may fluctuate from period to period depending on fluctuations in the timing and extent of our sales and marketing expenses.

In future periods, if we complete the acquisition of Title365, we expect that sales and marketing expenses will increase significantly in dollar amounts, primarily as a result of the amortization of acquired intangible assets. We expect, however, that our sales and marketing expenses will decrease as a percentage of revenue.

General and Administrative. General and administrative expenses consist primarily of personnel-related expenses, including stock-based compensation expense (which includes amounts in excess of fair market value in connection with secondary sales by our then-current and former employees), for our finance, accounting, legal and compliance, human resources, and other administrative teams as

well as for certain executives and professional fees, including audit, legal and compliance, and recruiting services. We expect to increase the size of our general and administrative function to support the growth of our business. Following the completion of this offering, we expect to continue to incur additional expenses as a result of operating as a public company, including costs to comply with the rules and regulations applicable to publicly listed companies and costs related to compliance and reporting obligations pursuant to the rules and regulations of the SEC. In addition, as a public company, we expect to incur increased expenses in the areas of insurance, investor relations, internal audit, and professional services. As a result, we expect the dollar amount of our general and administrative expenses to increase for the foreseeable future. We expect, however, that our general and administrative expenses will decrease as a percentage of our revenue over the long term, although the percentage may fluctuate from period to period depending on the timing and extent of our general and administrative expenses.

In future periods, if we complete the acquisition of Title365, we expect that general and administrative expenses will increase significantly in dollar amounts, primarily as a result of increased operating costs as a result of integrating and operating Title365. We expect, however, that our general and administrative expenses will decrease as a percentage of revenue.

Other Income (Expense), Net

Other income (expense), net consists primarily of interest income earned from our investment portfolio and interest expense.

In future periods, if we complete the acquisition of Title365, we expect that other expenses will increase as a result of interest expense incurred related to debt financing used to purchase Title365.

Provision for Income Taxes

Provision for income taxes consists primarily of U.S. state income taxes. We maintain a full valuation allowance on our federal and state deferred tax assets as we have concluded that it is not more likely than not that the deferred tax assets will be realized.

Results of Operations

The following tables set forth our results of operations for the periods presented in dollars and as a percentage of our revenue:

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(In thousands)			
Revenue	$ 50,671	$ 96,029	$ 15,603	$ 31,875
Cost of revenue(1)	19,547	34,289	7,358	10,860
Gross profit	31,124	61,740	8,245	21,015
Operating expenses:				
Research and development(1)	48,597	55,503	11,821	17,074
Sales and marketing(1)	37,660	51,420	13,430	15,865
General and administrative(1)	26,589	30,108	6,078	15,283
Total operating expenses	112,846	137,031	31,329	48,222
Loss from operations	(81,722)	(75,291)	(23,084)	(27,207)
Other income (expense), net	283	700	240	150
Loss before income taxes	(81,439)	(74,591)	(22,844)	(27,057)
Provision for income taxes	13	26	7	10
Net loss	$ (81,452)	$ (74,617)	$(22,851)	$(27,067)

(1) Includes stock-based compensation as follows:

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(In thousands)			
Cost of revenue	$ 46	$ 79	$ 19	$ 58
Research and development	3,431	4,250	757	1,386
Sales and marketing	966	3,675	1,791	1,373
General and administrative	5,446	2,120	672	1,199
Total stock-based compensation	$ 9,889	$ 10,124	$ 3,239	$ 4,016

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(as a % of revenue)*			
Revenue	100%	100%	100%	100%
Cost of revenue	39	36	47	34
Gross margin	61	64	53	66
Operating expenses:				
Research and development	96	58	76	54
Sales and marketing	74	54	86	50
General and administrative	52	31	39	48
Total operating expenses	223	143	201	151
Loss from operations	(161)	(78)	(148)	(85)
Other income (expense), net	1	1	2	—
Loss before income taxes	(161)	(178)	(146)	(85)
Provision for income taxes	—	—	—	—
Net loss	(161)%	(178)%	(146)%	(85)%

* Certain percentages may not foot due to rounding

Comparison of the Three Months Ended March 31, 2020 and 2021

Revenue and Cost of Revenue

	Three Months Ended March 31,			
	2020	2021	$ Change	% Change
	(In thousands)			
Revenue	$15,603	$31,875	$ 16,272	104%
Cost of revenue	7,358	10,860	3,502	48%
Gross profit	$ 8,245	$21,015	$ 12,770	155%

Revenue increased $16.3 million, or 104%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The increase was primarily due to an increase in the volume of transactions with existing customers, as well as an increase in revenue from new customers. Revenue from existing customers represented 98% of the increase in revenue, driven by our dollar-based net retention rate, which was 179% as of March 31, 2021, and revenue from new customers represented 2% of the increase in revenue.

Cost of revenue increased $3.5 million, or 48%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The increase was primarily due to a $1.4 million increase in third-party fees, primarily related to platform connectivity services, a $1.3 million increase in third-party hosting costs and software licenses to support continued growth and expanded operations, and a $1.3 million increase in personnel-related expenses primarily attributable to increased headcount. The overall increase was partially offset by a $0.4 million decrease in amortization of previously capitalized internal-use software costs.

Operating Expenses

	Three Months Ended March 31,			
	2020	2021	$ Change	% Change
	(In thousands)			
Operating expenses:				
Research and development	$11,821	$17,074	$ 5,253	44%
Sales and marketing	13,430	15,865	2,435	18%
General and administrative	6,078	15,283	9,205	151%
Total operating expenses	$31,329	$48,222	$ 16,893	54%

Research and Development

Research and development expenses increased $5.3 million, or 44%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The increase was primarily due to a $4.1 million increase in personnel-related expenses primarily attributable to an increase in research and development headcount, a $0.9 million increase in professional and outside services, and a $0.2 million increase in software and hosting services to support the growing business and increased volume of transactions.

Sales and Marketing

Sales and marketing expenses increased $2.4 million, or 18%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The increase was primarily due to an $2.9

million increase in personnel-related expenses primarily attributable to an increase in sales and marketing headcount, a $0.4 million increase in general marketing and promotional activities, a $0.4 million increase in professional and outside services, and a $0.3 million increase in software and hosting costs. The overall increase was partially offset by a $1.0 million decrease in sales commission expense, and a $0.7 million decrease in travel, entertainment, trade shows, conferences, and general advertising as a result of cancelled in-person events because of restrictions from the COVID-19 pandemic.

General and Administrative

General and administrative expenses increased $9.2 million, or 151%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The increase was primarily due to a $6.4 million increase in professional fees to support costs associated with the Proposed Acquisition, a $2.3 million increase in personnel-related expenses primarily attributable to an increase in our administrative, finance and accounting, legal, and human resources headcount necessary to support the growth in our business, and a $0.3 million increase in software and hosting costs.

Comparison of the Years Ended December 31, 2019 and 2020

Revenue and Cost of Revenue

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(In thousands)			
Revenue	$ 50,671	$ 96,029	$ 45,358	90%
Cost of revenue	19,547	34,289	14,742	75%
Gross profit	$ 31,124	$ 61,740	$ 30,616	98%

Revenue increased $45.4 million, or 90%, for 2020 compared to 2019. The increase was primarily due to an increase in the volume of transactions with existing customers, as well as an increase in revenue from new customers. Revenue from existing customers represented 83% of the increase in revenue, driven by our dollar-based net retention rate, which was 162% as of December 31, 2020, and revenue from new customers represented 17% of the increase in revenue.

Cost of revenue increased $14.7 million, or 75%, for 2020 compared to 2019. The increase was primarily due to a $7.9 million increase in third-party hosting costs and software licenses to support continued growth and expanded operations, and a $6.1 million increase in third-party fees, primarily related to platform connectivity services.

Operating Expenses

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(In thousands)			
Operating expenses:				
Research and development	$ 48,597	$ 55,503	$ 6,906	14%
Sales and marketing	37,660	51,420	13,760	37%
General and administrative	26,589	30,108	3,519	13%
Total operating expenses	$ 112,846	$ 137,031	$24,185	21%

Research and Development

Research and development expenses increased $6.9 million, or 14%, for 2020 compared to 2019. The increase was primarily due to a $4.0 million increase in personnel-related expenses primarily attributable to an increase in research and development headcount, a $2.8 million increase in professional and outside services, and a $1.6 million increase in software and hosting services to support the growing business and increased volume of transactions. The overall increase was partially offset by a $1.0 million decrease in allocated overhead due to changes in employee mix and reduction of facility costs due to the COVID-19 pandemic.

Sales and Marketing

Sales and marketing expenses increased $13.8 million, or 37%, for 2020 compared to 2019. The increase was primarily due to an $11.4 million increase in personnel-related expenses primarily attributable to an increase in sales and marketing headcount, inclusive of a $1.5 million increase in stock-based compensation attributable to secondary sales in 2020, a $3.3 million increase in commission expense, and a $0.8 million increase in software and hosting costs. The overall increase was partially offset by a $3.1 million decrease in travel, entertainment, trade shows, conferences, and general advertising as a result of cancelled in-person events because of restrictions from the COVID-19 pandemic.

General and Administrative

General and administrative expenses increased $3.5 million, or 13% for 2020 compared to 2019. The increase was primarily due to a $2.4 million increase in professional fees and a $1.3 million increase in personnel-related expenses primarily attributable to an increase in our administrative, finance and accounting, legal, and human resources headcount necessary to support the growth in our business. The increase in personnel-related expenses was net of a $4.1 million decrease in stock-based compensation attributable to a decrease in secondary sales as compared to 2019. The overall increase was partially offset by a $0.3 million decrease in travel and related expenses as a result of restrictions from the COVID-19 pandemic.

Unaudited Quarterly Results of Operations

The following tables set forth our unaudited quarterly consolidated statements of operations data and the percentage of revenue that each line item represents for each of the five quarters ended March 31, 2021. The information for each of these quarters has been prepared on the same basis as the audited annual financial statements included elsewhere in this prospectus and includes all adjustments that, in our opinion, are necessary for the fair presentation of the results of operations for these periods. This data should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. These historical quarterly results are not necessarily indicative of the results of operations that may be expected for any future periods and the results of a particular quarter or other interim period are not necessarily indicative of the results for a full year.

	Three Months Ended				
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
	(In thousands)				
Revenue	$ 15,603	$ 21,920	$ 27,877	$ 30,629	$ 31,875
Cost of revenue(1)	7,358	8,665	9,482	8,784	10,860
Gross profit	8,245	13,255	18,395	21,845	21,015
Operating expenses:					
Research and development(1)	11,821	14,675	13,820	15,187	17,074
Sales and marketing(1)	13,430	11,557	12,176	14,257	15,865
General and administrative(1)	6,078	7,830	7,748	8,452	15,283
Total operating expenses	31,329	34,062	33,744	37,896	48,222
Loss from operations	(23,084)	(20,807)	(15,349)	(16,051)	(27,207)
Other income (expense), net	240	239	148	73	150
Loss before income taxes	(22,844)	(20,568)	(15,201)	(15,978)	(27,057)
Provision for income taxes	(7)	(6)	(7)	(6)	(10)
Net loss	$ (22,851)	$ (20,574)	$ (15,208)	$ (15,984)	$ (27,067)

(1) Includes stock-based compensation as follows:

	Three Months Ended				
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
	(In thousands)				
Cost of revenue	$ 19	$ 19	$ 20	$ 21	$ 58
Research and development	757	2,457	75	961	1,386
Sales and marketing	1,791	494	505	885	1,373
General and administrative	672	432	499	517	1,199
Total stock-based compensation	$ 3,239	$ 3,402	$ 1,099	$ 2,384	$ 4,016

	Three Months Ended				
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
	(As a % of revenue)*				
Revenue	100%	100%	100%	100%	100%
Cost of revenue	47	40	34	29	34
Gross margin	53	60	66	71	66
Operating expenses:					
Research and development	76	67	50	50	54
Sales and marketing	86	53	44	47	50
General and administrative	39	36	28	28	48
Total operating expenses	201	155	121	124	151
Loss from operations	(148)	(95)	(55)	(52)	(85)
Other income (expense), net	2	1	1	—	—
Loss before income taxes	(146)	(94)	(55)	(52)	(85)
Provision for income taxes	—	—	—	—	—
Net loss	(146)%	(94)%	(55)%	(52)%	(85)%

* Certain percentages may not foot due to rounding

The following tables set forth our key business metrics for each of the five quarters in the period ended March 31, 2021:

	Three Months Ended				
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
Total banking transactions (in thousands)	191	344	422	446	494

	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
Dollar-based net retention rate	134%	132%	149%	162%	179%

Quarterly Trends

Our quarterly revenue increased sequentially for all periods presented, which was driven by increases to the total banking transactions on our software platform from both expansion within our existing customer base as demonstrated by our dollar-based net retention rate, and sales to new customers. Our total banking transactions increased sequentially for all periods presented, which was attributed to the need for digital transformation at financial services firms accelerated by COVID-19. Our dollar-based net retention rate generally increased from the first quarter of 2020 through the first quarter of 2021 primarily due to increases in our total banking transactions with existing customers, which were accelerated by increases in refinance and new home purchase volumes utilizing our mortgage product.

Our quarterly cost of revenue increased sequentially for all periods presented, except for the fourth quarter of 2020, which was impacted by lower third-party fees related to platform connectivity services as compared to the preceding quarter, which was impacted by a higher volume of application submissions. Historically, we have experienced a lower volume of application submissions in the fourth quarter of the year due to changes in consumer behavior during the holidays, and subsequent increase in the volume of application submissions in the first quarter of the following year, resulting in higher connectivity costs. The increases in cost of revenue were primarily a result of increases in hosting costs, third-party fees related to platform connectivity services, software licenses, and other costs necessary to support continued growth and deliver services to our expanding customer base. Our gross margin, however, has generally improved over the periods presented, as our quarterly costs of revenue have generally decreased as a percentage of revenue over the periods presented.

Our quarterly operating expenses increased sequentially for all periods presented, except for the third quarter of 2020, which was impacted by lower stock-based compensation attributable to a decrease in secondary sales as compared to the preceding quarter.

Our quarterly research and development expenses increased sequentially for all periods presented, except for the third quarter of 2020, which was impacted by lower stock-based compensation attributable to a decrease in secondary sales among our research and development personnel as compared to the preceding quarter. The increases in research and development expenses were primarily due to increases in headcount and increases in the costs attributable to software and hosting services necessary to support our growing business and increased volume of transactions.

Our quarterly sales and marketing expenses increased for all periods presented, except for the second quarter of 2020, which was impacted by lower stock-based compensation as compared to the preceding quarter as there were no secondary sales among our sales and marketing personnel. The increases in sales and marketing expenses were primarily due to increases in headcount for our direct sales organization and investments in brand and product marketing efforts.

Our quarterly general and administrative expenses increased for all periods presented, except for the third quarter of 2020, which was impacted by lower professional fees as compared to the preceding

quarter. The increases in general and administrative expenses were primarily due to increases in headcount and higher professional fees incurred to support our growth and prepare to meet our obligations as a public company following the completion of this offering. In addition, in the first quarter of 2021, our general and administrative expenses increased significantly due to an increase in professional fees for legal and consulting services, primarily related to the Planned Acquisition.

Liquidity and Capital Resources

As of March 31, 2021, our principal sources of liquidity were cash, cash equivalents, and marketable securities of $453.2 million. Cash and cash equivalents are comprised of bank deposits and money market funds. Marketable securities are comprised of U.S. treasury and agency securities, commercial paper, and corporate debt securities. All of our cash and cash equivalents are held in the United States. Since our inception, we have financed our operations primarily through proceeds from the issuance of our convertible preferred stock and cash generated from the sale of our product offerings.

We have generated significant losses from operations and negative cash flows from operating activities in the past as reflected in our accumulated deficit of $299.9 million as of March 31, 2021. We expect to continue to incur operating losses for the foreseeable future due to the investments that we intend to make in our business and, as a result, we may require additional capital resources to grow our business.

We believe that current cash, cash equivalents, and marketable securities will be sufficient to fund our operations for at least the next 12 months. Our future capital requirements, however, will depend on continued growth in our customer base, the timing and extent of spending to support our research and development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced products and features, and the continuing market adoption of Blend. We may in the future enter into arrangements to acquire or invest in complementary businesses, services, and technologies, including intellectual property rights. In the event that additional financing is required from outside sources, we may seek to raise additional funds at any time through equity, equity-linked arrangements, and debt. If we are unable to raise additional capital when desired and at reasonable rates, our business, results of operations, and financial condition would be adversely affected. See the section titled "*Risk Factors—Risks Related to Our Business—Our failure to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies in the future could reduce our ability to compete successfully and harm our results of operations.*"

During the three months ended March 31, 2021, we issued 67,255,705 shares of Series G Convertible Preferred Stock at $4.609274 per share for total gross proceeds of approximately $310.0 million. On March 12, 2021, we signed a definitive agreement to acquire Title365, a leading title insurance agency, from Mr. Cooper Group Inc. for a purchase price of approximately $422.1 million in cash, subject to adjustments, for a 90.1% ownership in Title365. We have obtained a commitment letter for debt financing in the form of the $225.0 million Term Loan, and the $25.0 million Revolving Credit Facility. The Term Loan is expected to be funded at the closing of the Proposed Acquisition to assist in the payment of the purchase price. The Revolving Credit Facility is expected to remain undrawn. The Term Loan and Revolving Credit Facility are expected to mature on the date that is five years after the closing date of the Proposed Acquisition. The Term Loan is not expected to amortize, and we expect that both the Term Loan and Revolving Credit Facility will accrue interest at a rate equal to the London Interbank Offer Rate for dollars, or LIBOR, subject to a floor of 1.00% per annum, or the Adjusted LIBOR, plus 7.50% or the Alternate Base Rate, or ABR, as determined by the highest of (i) the prime commercial lending rate published by the Wall Street Journal as the "prime rate", (ii) the Federal Funds Effective Rate plus 0.50%, and (iii) the one-month Adjusted LIBOR plus 1.00% per annum subject to a floor of 2.00% plus 6.50%. Interest is payable in cash on a quarterly basis.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
	(In thousands)			
Net cash used in operating activities	$ (58,939)	$ (65,013)	$ (22,111)	$ (20,394)
Net cash (used in) provided by investing activities	(65,513)	(7,917)	37,447	6,148
Net cash provided by financing activities	132,666	90,756	2,041	325,465
Net increase in cash, cash equivalents, and restricted cash	$ 8,214	$ 17,826	$ 17,377	$ 311,219

Cash Used in Operating Activities

Our largest source of operating cash is cash collections from our customers. Our primary uses of cash from operating activities are for employee-related expenditures, sales and marketing expenses, and third-party hosting costs. Historically, we have generated negative cash flows from operating activities and have supplemented working capital requirements through net proceeds from the private sale of equity securities.

During the three months ended March 31, 2021, operating activities used $20.4 million in cash. The primary factors affecting our operating cash flows during this period were our net loss of $27.1 million, impacted by $7.2 million non-cash charges, and $0.6 million of cash used in changes in our operating assets and liabilities. The non-cash charges primarily consisted of $4.0 million in stock-based compensation, $0.8 million of depreciation and amortization, $1.3 million in amortization of deferred contract costs, and $0.6 million of non-cash operating lease expense. The cash used in changes in our operating assets and liabilities was primarily due to a $3.4 million increase in other liabilities, a $0.8 million increase in deferred revenue, and a $0.9 million decrease in non-current deferred contract costs. These amounts were partially offset by a $3.7 million increase in prepaid expenses and other current assets and a $1.8 million decrease in accrued compensation.

During the three months ended March 31, 2020, operating activities used $22.1 million in cash. The primary factors affecting our operating cash flows during this period were our net loss of $22.9 million, impacted by $5.9 million non-cash charges, and $5.1 million of cash used due to changes in our operating assets and liabilities. The non-cash charges primarily consisted of $3.2 million in stock-based compensation, $1.2 million of depreciation and amortization, $0.8 million in amortization of deferred contract costs, and $0.6 million of non-cash operating lease expense. The cash used due to changes in our operating assets and liabilities was primarily due to a $4.8 million increase in trade and other receivables, a $1.8 million increase in prepaid expenses and other assets, and a $1.1 million decrease in accrued compensation. These amounts were partially offset by a $2.3 million increase in deferred revenue and a $0.9 million increase in other liabilities.

During 2020, operating activities used $65.0 million in cash. The primary factors affecting our operating cash flows during this period were our net loss of $74.6 million, impacted by $20.8 million non-cash charges, and $10.5 million of cash used due to changes in our operating assets and liabilities. The non-cash charges primarily consisted of $10.1 million in stock-based compensation, $4.0 million of depreciation and amortization, $3.6 million in amortization of deferred contract costs, and $2.4 million of non-cash operating lease expense. The cash used due to changes in our operating assets and liabilities was primarily due to a $12.2 million increase in trade and other receivables, a $6.5 million increase in prepaid expenses and other assets, a $2.6 million decrease in operating lease liabilities, and a $2.0 million increase in the non-current portion of deferred contract costs. These amounts were partially offset by a $5.7 million increase in accrued compensation, a $4.8 million increase in other liabilities, and a $1.2 million increase in deferred revenue.

During 2019, operating activities used $58.9 million in cash. The primary factors affecting our operating cash flows during this period were our net loss of $81.5 million, impacted by $18.5 million non-cash charges, and $4.0 million of cash provided by changes in our operating assets and liabilities. The non-cash charges primarily consisted of $9.9 million in stock-based compensation, $4.8 million of depreciation and amortization, $2.3 million in amortization of deferred contract costs, and $1.2 million in amortization related to a discount on a convertible note. The cash provided by changes in our operating assets and liabilities was primarily due to a $5.7 million increase in deferred revenue, a $2.6 million increase in accounts payable, a $2.3 million increase in accrued compensation, and a $1.1 million increase in other liabilities. These amounts were partially offset by a $7.1 million decrease in prepaid expenses and other current assets and a $0.8 million decrease in deferred contract costs.

Cash Provided by or Used in Investing Activities

Net cash provided by investing activities during the three months ended March 31, 2021 was $6.1 million, which was primarily the result of the sales and maturities of marketable securities of $34.9 million, partially offset by purchases of marketable securities of $25.4 million, purchase of other investment of $3.0 million, and property and equipment purchases of $0.3 million.

Net cash provided by investing activities during the three months ended March 31, 2020 was $37.4 million, which was primarily the result of the sales and maturities of marketable securities of $65.3 million, partially offset by purchases of marketable securities of $27.7 million and property and equipment purchases of $0.1 million.

Net cash used in investing activities during 2020 was $7.9 million, which was primarily the result of purchases of marketable securities of $174.0 million and property and equipment purchases of $1.3 million, partially offset by sales and maturities of marketable securities of $167.4 million.

Net cash used in investing activities during 2019 was $65.5 million, which was primarily the result of purchases of marketable securities of $150.7 million and property and equipment purchases of $0.6 million, partially offset by sales and maturities of marketable securities of $85.8 million.

Cash Provided by Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2021 was $325.5 million, reflecting net proceeds from issuance of Series G convertible preferred stock of $309.7 million, proceeds from the exercise of convertible preferred stock warrants of $10.2 million, the exercise of stock options of $5.8 million, partially offset by the payment of deferred offering costs of $0.2 million.

Net cash provided by financing activities for the three months ended March 31, 2020 was $2.0 million, reflecting proceeds from the exercise of stock options net of repurchases.

Net cash provided by financing activities for 2020 was $90.7 million, reflecting proceeds from issuance of Series F convertible preferred stock of $76.2 million, proceeds from exercise of Class A common stock warrants of $10.0 million and the exercise of stock options net of repurchases of $4.5 million.

Net cash provided by financing activities for 2019 was $132.7 million, reflecting proceeds from issuance of Series E convertible preferred stock of $124.6 million, proceeds from a convertible note of $5.0 million, the exercise of stock options net of repurchases of $1.6 million, and the exercise of convertible preferred stock warrants of $1.5 million.

Employee Compensation

We are considering adopting various employee compensation programs, including one possible program that would allow employees the opportunity to annually elect the proportion of their

compensation that would be provided in the form of cash or equity. The details of any such program, and whether we would even implement any such program, have not been determined at this time. If we do decide to adopt a program like this in the future, it could result in us paying a greater percentage of our employees' compensation in the form of cash or equity, depending on how our employees elect to receive their compensation. This could result in us using a larger amount of our cash reserves for the payment of compensation in future periods or could result in us granting a greater number of our shares subject to equity awards, which could increase our overall dilution, increase our stock-based compensation expense for financial accounting purposes, and increase our tax withholding and remittance obligations. How we determine any such tax withholding obligations would be satisfied could further impact our cash position or increase dilution.

Off-Balance Sheet Arrangements

We administer escrow and trust deposits held at third-party financial institutions representing funds received under real estate contracts, escrowed funds received under escrow agreements, and/or undisbursed amounts received for settlement of mortgage and home equity loans. Cash held for these purposes was approximately $0.6 million as of March 31, 2021. These funds are not considered assets of ours and, therefore, are not included in our consolidated balance sheet; however, we are contingently liable for the disposition of these funds on behalf of consumers. As of March 31, 2021, we did not have any other relationships with unconsolidated entities or financial partnerships, such as structured finance or special purpose entities that were established for the purpose of facilitating off-balance sheet arrangements or other purposes.

Indemnification Agreements

In the ordinary course of business, we enter into agreements of varying scope and terms pursuant to which we agree to indemnify customers, vendors, lessors, business partners, and other parties with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements, services to be provided by us, or from intellectual property infringement claims made by third parties. In addition, we have entered into indemnification agreements with our directors and certain officers and employees that will require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers, or employees. No demands have been made upon us to provide indemnification under such agreements, and there are no claims that we are aware of that could have a material effect on our consolidated balance sheets, consolidated statements of operations and comprehensive loss, or consolidated statements of cash flows.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to certain market risks in the ordinary course of our business. These risks primarily include:

Interest Rate Risk

We had cash and cash equivalents of $352.3 million and marketable securities of $100.8 million as of March 31, 2021, which consisted of bank deposits, money market funds, U.S. treasury and agency securities, commercial paper, and corporate debt securities. The cash and cash equivalents are held primarily for working capital purposes. Such interest-earning instruments carry a degree of interest rate risk. To date, fluctuations in interest income have not been significant. The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing

risk. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. Due to the short-term nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

Inflation Risk

We do not believe that inflation has had a material effect on our business, results of operations, or financial condition.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, and expenses, and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions.

We believe that of our significant accounting policies, which are described in Note 2 of the notes to our consolidated financial statements, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

As an emerging growth company, the JOBS Act allows us to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act). We intend to use this extended transition period under the JOBS Act until such time as we are no longer considered to be an emerging growth company. The adoption dates discussed below reflect this election.

Revenue Recognition

Overview

We generate revenue from fees paid by our customers to access our platform, and, to a lesser extent, from professional services related to the deployment of our platform, premium support services, and consulting services. Our customers have the ability to access our platform under subscription arrangements, in which customers commit to a minimum number of completed transactions at specified prices over the contract term, or under usage-based arrangements, in which customers pay a variable amount for completed transactions at specified prices. Under our subscription arrangements, we typically bill our customers for any committed amounts quarterly, semi-annually or annually in advance and for overages beyond a customer's contracted minimum number of completed transactions on a monthly or quarterly basis in arrears. For usage-based arrangements, we typically bill our customers for any completed transactions on a monthly basis in arrears. Subscription arrangements are generally non-cancelable during the contract term while usage-based arrangements generally can be terminated at any time by the customer. Revenue from usage-based arrangements represented 12% of our revenue for both 2019 and 2020. Arrangements with customers do not provide the contractual right to take possession of our software at any point in time. We begin recognizing revenue when access to our platform is provisioned to our customers for an amount that reflects the consideration we expect to be entitled to in exchange for those services.

We adopted Accounting Standard Update, or ASU, 2014-09, *Revenue from Contracts with Customers*, or Topic 606, as of January 1, 2019, utilizing the modified retrospective transition method. Under Topic 606, we determine revenue recognition through the following steps:

- *Identification of the contract, or contracts, with a customer*—A contract with a customer exists when (i) we enter into an enforceable contract with a customer that defines each party's rights regarding the services to be transferred and identifies the payment terms related to these services, (ii) the contract has commercial substance, and (iii) it is determined that collection of substantially all consideration for services that are transferred is probable based on the customer's intent and ability to pay the promised consideration when it is due.
- *Identification of the performance obligations in the contract*—Performance obligations promised in a contract are identified based on the services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the services either on their own or together with other resources that are readily available from third parties or from us, and are distinct within the context of the contract, whereby the transfer of the services is separately identifiable from the other promises in the contract. To the extent that a contract includes multiple promised services, we apply judgement to determine whether promised services are capable of being distinct.
- *Determination of the transaction price*—The transaction price is determined based on the consideration to which we will be entitled in exchange for transferring services to the customer. We estimate and include variable consideration for our subscription arrangements in the transaction price at contract inception to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In estimating overage fees in subscription arrangements, we consider our historical experience and other external factors that may impact the expectation of future completed transactions beyond a customer's contracted minimum number of completed transactions.
- *Allocation of the transaction price to the performance obligations in the contract*—We allocate the transaction price to each performance obligation on a relative standalone selling price basis, or SSP. The SSP is the price at which we would sell a promised service separately to a customer. In instances where we do not sell or price a service separately, we estimate the SSP by considering available information such as market conditions, internally approved pricing guidelines, and the underlying cost of delivering the performance obligation. Judgment is required to determine the SSP for each distinct performance obligation.
- *Recognition of revenue when, or as, we satisfy a performance obligation*—For each performance obligation identified, we determine at contract inception whether it satisfies the performance obligation over time or at a point in time. We recognize fees for subscription arrangements ratably over the non-cancelable contract term of the arrangement as subscription services are provided, beginning on the commencement date of each contract, which is the date services are made available to our customers. Access to our platform represents a series of distinct services as we continually provide access to our platform, and fulfill our obligation to our customer over the non-cancelable contractual term and the customer receives and consumes the benefit of our platform throughout the contract period. The series of distinct services represents a single performance obligation that is satisfied over time. We recognize fees for success-based arrangements as the completed transactions are processed using our platform.

Professional Services Revenue

Professional services revenue consists of fees for services related to helping customers deploy, configure, and optimize the use of our technology. These services include consulting, system

integration, data migration, process enhancement, and training. Our professional services contracts are typically on a fixed price basis and billed in full at the beginning of the contract term. Professional services revenue is recognized on a proportional performance basis, which measures the service hours performed to date relative to the total expected hours to completion.

Stock-Based Compensation

We measure and recognize our stock-based compensation based on estimated fair values for all stock awards. We use the Black-Scholes-Merton pricing model to determine the grant date fair value of stock options and recognize the resulting stock-based compensation on a straight-line basis over the requisite service period of the awards, which is generally the vesting period. We account for forfeitures as they occur.

We will continue to use judgment in evaluating the assumptions related to our stock-based compensation on a prospective basis. As we continue to accumulate additional data related to our common stock, we may have refinements to our estimates, which could materially impact our future stock-based compensation expense. For valuations after the consummation of this offering, our board of directors will determine the fair value of each share of underlying common stock based on the closing price of our common stock on the date of grant or other relevant determination date, as reported on the New York Stock Exchange. As of March 31, 2021, the aggregate intrinsic value of our outstanding options under the 2012 Plan was $381.6 million, with $145.9 million related to exercisable stock options.

Certain stock options granted to Mr. Ghamsari, Head of Blend, Co-Founder, and Chair of our board of directors pursuant to the Founder and Head of Blend Long-Term Performance Award vest upon the satisfaction of a service condition, liquidity event-related performance condition and performance-based market conditions. The liquidity event-related performance vesting condition is satisfied on an initial public offering condition. We expect the liquidity event-related performance vesting condition will be satisfied in connection with this offering, which if it had occurred on March 31, 2021, would have resulted in an increase to stock-based compensation expense of approximately $23.0 million for the three months ended March 31, 2021.

Common Stock Valuations

The fair value of the common stock underlying our stock-based awards has historically been determined by our board of directors, with input from management and contemporaneous third-party valuations. We believe that our board of directors has the relevant experience and expertise to determine the fair value of our common stock. Given the absence of a public trading market of our common stock, and in accordance with the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*, our board of directors exercised reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock at each grant date. These factors include:

- the results of contemporaneous valuations performed at periodic intervals by a third-party valuation firm;
- the prices, rights, preferences, and privileges of our convertible preferred stock relative to those of our common stock;
- the prices of our convertible preferred stock and common stock sold to investors in arms-length transactions;
- our actual operating and financial performance and estimated trends and prospects for our future performance;

- our stage of development;
- the likelihood of achieving a liquidity event, such as an initial public offering, direct listing, or sale of our company, given prevailing market conditions;
- the lack of marketability involving securities in a private company;
- the market performance of comparable publicly traded companies; and
- U.S. and global capital market conditions.

In valuing our common stock, our board of directors determined the equity value of our business generally using the income approach and the market approach valuation methods. In allocating the equity value, we considered and have used a combination of the option pricing method, or OPM, the Probability Weighted Expected Return Method, or PWERM, and the Hybrid Method (which is a combination of the OPM and PWERM). The Hybrid Method involves the estimation of multiple future potential outcomes for us and estimation of the probability of each respective potential outcome. The common stock per share value determined using this approach is ultimately based upon probability-weighted per share values resulting from the various future scenarios. Our scenarios included the use of an initial public offering scenario and a scenario assuming continued operation as a private entity (in which an OPM was applied). After the Equity Value is determined and allocated to the various classes of shares, a discount for lack of marketability, or DLOM, is applied to arrive at the fair value of the common stock. A DLOM is applied based on the theory that as a private company, an owner of the stock has limited opportunities to sell this stock as there is not a readily available market to sell the stock.

In addition, we also considered any secondary transactions involving our capital stock. In our evaluation of those transactions, we considered the facts and circumstances of each transaction to determine the extent to which they represented a fair value exchange. Factors considered include transaction volume, timing, whether the transactions occurred among unrelated parties, and whether the transactions involved investors with access to our financial information.

Application of these approaches involves the use of estimates, judgment, and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses, and future cash flows, discount rates, market multiples, the selection of comparable companies, and the probability of possible future events. Changes in any or all of these estimates and assumptions or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the valuation of our common stock.

For valuations after the completion of this offering, our board of directors will determine the fair value of each share of underlying Class A common stock based on the closing price of our Class A common stock as reported on the date of grant. Future expense amounts for any particular period could be affected by changes in our assumptions or market conditions.

Recent Accounting Pronouncements

See the section titled “*Summary of Significant Accounting Policies*” in Note 2 of the notes to our consolidated financial statements included elsewhere in this prospectus for more information.

BUSINESS

Company Overview

It's our vision to bring simplicity and transparency to financial services, so everyone can gain access to the capital they need to lead better lives. To realize this vision, we have built a market-leading cloud-based software platform for financial services firms that is designed to power the end-to-end consumer journey for any banking product. From the moment a consumer starts an application for a loan or a deposit account to the moment they digitally sign the final documents, our software platform streamlines the process, so financial services firms can deliver superior consumer experiences, drive growth, and increase operational efficiency.

Consumers expect modern banking experiences to be as simple as other online shopping experiences. However, financial services firms may not have the resources and in-house software expertise to fulfill consumer demands for intuitive, digital, and easy-to-use products. In addition, most financial services firms are burdened by antiquated, inflexible systems and use separate technology stacks for different product lines, making it difficult to drive rapid improvements. Consequently, a broad range of financial services firms including banks, credit unions, fintechs, and non-bank lenders have turned to Blend to help them accelerate their digital transformation initiatives and position themselves for future growth.

Our software platform powers the mission-critical interface between financial services firms and consumers. Our growing suite of out-of-the-box, white-label products currently powers digital-first consumer journeys for mortgages, home equity loans and lines of credit, vehicle loans, personal loans, credit cards, and deposit accounts. Each of our out-of-the-box products is built from an extensive library of modular components assembled into consumer journeys that typically include data collection, verification checks, product selection, pricing, pre-approvals, disclosures, addressing stipulations, and signing closing documents. Through our low-code, drag-and-drop design tools, we also enable the creation and deployment of new product offerings. While we currently offer products for consumer banking, we plan to extend our modular software platform over time to add support for commercial banking products. In 2020, our software platform helped financial services firms process nearly $1.4 trillion in loan applications.

We also bring together an extensive ecosystem of more than 2,200 currently active technology, data, and service providers through our software platform, enabling financial services firms to collaborate with third-parties to provide best-in-class experiences to consumers. As consumers use our software platform to apply for financial services products, they can shop for realtors, insurance carriers, and other service providers through integrated marketplaces that are introduced at the precise moment these third parties are needed. As more consumers use our software platform, we are able to attract a broader range of ecosystem partners, which allows us to deliver more value to consumers and attract more financial services firms as customers. This creates a powerful network effect and differentiator for our business. As of March 31, 2021, the number of participants in our ecosystem has grown by more than 1,300% year-over-year.

Strong customer relationships are a cornerstone of our success. We establish ourselves as a critical and long-term strategic partner to our customers by powering essential revenue-generating experiences, integrating our software into back office systems, and by staffing teams chartered with increasing the value we deliver over time. Our customer relationships grow as our platform is used for a broader range of products. Customers typically complete an initial deployment for one or two products and then add more products over time, building toward a unified consumer experience that supports multi-product shopping journeys. Our dollar-based net retention rate was 162% as of December 31, 2020.

Our success-based business model is designed to align our growth with the interests of our customers. We offer our products through software-as-a-service agreements, where fees are assessed based on completed transactions, such as a funded loan, new account opening, or closing transaction. We do not charge for abandoned or rejected applications, even though they cause us to incur costs. Completed transaction fees are determined by the number and type of software platform components that are needed to support each product offering Although we have generated an immaterial amount of revenue through commissions or service fees when consumers use our marketplaces to select a real estate agent, property and casualty insurance carrier, or title and settlement services entity in 2020, we expect this will become a significant part of our business in the future. In 2020, financial services firms used our software platform to process 1.4 million completed banking transactions, a 190% year-over-year increase relative to the 0.48 million completed banking transactions we helped our customers process in 2019.

Our customers are currently based in the United States and range in size from the largest banks, credit unions, fintechs, and non-bank mortgage lenders in the nation to smaller community lenders with less than $1 billion in assets under management. Representative customers include Wells Fargo, U.S. Bank, M&T Bank, Truist, BMO Harris Bank, Elements Financial Federal Credit Union, Mountain America Credit Union, Lennar Mortgage, PennyMac, Primary Residential Mortgage, Inc., and Opendoor.

As of December 31, 2020, we had 291 customers including 31 of the top 100 financial services firms in the United States by assets under management and 24 of the top 100 non-bank mortgage lenders by loan volume. In 2020, 18 customers each generated more than $1 million in revenue for us, which represented 53% of our revenue in 2020.

We have achieved significant growth in recent years. For 2019 and 2020, our revenue was $50.7 million and $96.0 million, respectively, representing a 90% year-over-year growth rate. We incurred net losses of $81.5 million and $74.6 million for 2019 and 2020, respectively, as we have continued to invest in growth to capture the large market opportunity available to us.

We continually seek to enhance the end-to-end banking journeys powered by our software platform. To accelerate the adoption of innovations in our mortgage and home equity products, on March 12, 2021, we signed a definitive agreement to acquire Title365, a leading title insurance agency, from Mr. Cooper Group Inc. Title365 will be integrated with our software platform, which enables financial services firms to automate title commitments and streamline communication with consumers and settlement teams. Together we will enable our customers to accelerate the title, settlement, and closing process at scale for mortgages, home equity lines of credit, and home equity loans. For 2019 and 2020, Title365 revenue was $105.3 million and $212.1 million, respectively. The acquisition is subject to regulatory approvals and is expected to close in the second or third quarter of 2021.

Trends in Our Favor

Key trends supporting our growth include:

Consumer expectations for digital experiences are rising

Consumers increasingly expect their banks to provide data-driven, personalized, digital experiences comparable to Amazon, Netflix, Apple, and other industry leaders. The COVID-19 pandemic has accelerated a shift in consumer behavior away from traditional branches and toward digital channels for banking services, resulting in a 30% increase in the use of mobile banking worldwide.[13] The vast majority of Millennials and Gen Z now use a mobile banking app, signifying the importance of the availability of mobile offerings to future generations.

13. Boston Consulting Group, *The Front-to-Back Digital Retail Bank,* January 2021.

Consumers increasingly want one-stop shopping experiences for financial services

Consumers prefer simplicity and convenience when it comes to shopping for financial services. Fifty-three percent of consumers would like to be offered bundled products, such as real estate services with a home loan or car deals with a pre-approved auto loan.[14] To retain consumers, and drive incremental revenue, financial services firms need to provide end-to-end consumer journeys that include these elements.

Competition among financial services firms is becoming more intense

Fintechs, neobanks, and other innovators are launching digital-first offerings that draw consumers away from traditional financial services firms. Forty-two percent of U.S. consumers use at least one fintech provider.[15] In addition, consumers are switching financial services providers at a faster rate than previous years. Traditional financial services firms must invest in seamless, technology-driven, and consumer-friendly offerings that lead to higher consumer satisfaction in order to preserve and grow their market share.

The pace of change is accelerating

Financial services firms are increasingly seeking partners to help them manage consumer experiences with more agility as they wrestle with changes caused by fluctuating rate environments, government stimulus programs, and evolving regulatory requirements. In an effort to remain competitive, 48% of banks and 42% of credit unions have partnered with fintech startups over the past three years to address specific technology needs.[16] Among banks planning to partner with fintechs, 86% cite that improving the consumer experience is the top priority, followed by 42% and 38% for reducing operating expenses and reducing fraud, respectively.[17]

Low-code development tools are shortening product development cycles

The advent of no-code and low-code development tools is enabling product teams to build, deploy, and modify new products and deliver superior consumer experiences with greater speed and flexibility. Most large organizations will have adopted multiple low-code tools in some form by year-end 2021.[18] Adoption of these tools will be essential for financial services firms to innovate rapidly in the face of changing consumer expectations and fluctuating market conditions.

Better access to data is powering higher levels of automation

As banking becomes more open, financial services firms are seeking to leverage the best data in the market to improve verification of consumer assets, income, employment, identity, and credit history. In addition, financial services firms are investing in technology to help them harness this data to drive automated workflows that reduce the number of manual tasks they need to perform in order to approve an application for a loan or deposit account. The aggregate potential cost savings for financial services firms from automated workflows is estimated to be at $447 billion by 2030, with back office credit underwriting accounting for $31 billion of that total.[19] By leveraging data and software to make more informed decisions automatically, financial services firms will be able to provide a frictionless consumer experience, reduce time to close, and reduce fraud.

14. Deloitte Consulting LLP, *Deloitte 2020 Voice of the customer: Retail banking experience*, 2020.
15. McKinsey & Company, *How US customers' attitudes to fintech are shifting during the pandemic,* December 2020.
16. Cornerstone Advisors, *What's Going On in Banking 2021, Rebounding From the Pandemic,* January 2021.
17. Forbes, *5 Bank And Fintech Partnership Ideas To Generate Revenue*, October 2020.
18. Gartner, *Forecast Analysis: Low-Code Development Technologies*, January 2021.
19. Autonomous Research, *Machine Intelligence & Augmented Finance,* April 2018.

Our Opportunity

Financial services firms have been shifting for years to a digital-first approach to acquiring customers and deepening existing relationships. This imperative to compete through digital-first consumer
experiences creates a compelling opportunity for Blend. Few financial services firms can afford to build best-in-class digital consumer journeys on their own, and those that can typically prefer to accelerate time to market by working with partners that provide flexible, off-the-shelf components. In addition, few financial services firms have built their own captive insurance agencies or developed their own service provider marketplaces to streamline the consumer journey due to the cost and complexity of managing these initiatives.

Blend competes in several large markets, including IT spend for banking software and commissions for home insurance policies, title insurance policies, and real estate transactions. We believe that our software platform can address a significant share of the massive total addressable market that these opportunities represent:

- Gartner estimates that global enterprise IT spending for software within the banking industry was approximately $72.4 billion in 2020, which is expected to grow annually at approximately 13% through 2025.
- The American Land Title Association estimates that, in the United States, more than $19.2 billion was spent on title insurance premiums in 2020.
- IBISWorld estimates that, in the United States, more than $105.7 billion was spent on home insurance premiums in 2020.
- We estimate that, in the United States, a total of $123.5 billion was spent on realtor commissions in 2020 based on data from the National Association of Realtors, EffectiveAgents.com, and the St. Louis Federal Reserve. According to the National Association of Realtors, the number of total existing-home sales in the United States for 2020 was 5.64 million and the average home sale price in 2020 was approximately $387,000, according to the St. Louis Federal Reserve. The average realtor commission rate for 2020, according to EffectiveAgents.com, was 5.656%. Our estimate of realtor commission spend for 2020 was calculated by multiplying the number of total existing-home sales by the average home sale price and then multiplying that product by the average realtor commission rate.

We currently estimate the serviceable addressable market for Blend to be greater than $33 billion, based on the number of home financing and consumer banking transactions in the United States in 2020 multiplied by our average revenue per transaction in each respective subsector in which we are currently active. These subsectors include (i) core mortgage products, such as mortgage funded loans and digital closings, (ii) homebuying ecosystem products, such as home insurance, realty, title and settlement and notarization, and (iii) consumer banking products, such as credit cards, auto loans, personal loans, and deposit accounts. We first estimated the size of each market subsector in which we are currently active by compiling a comprehensive set of market size data and identifying a low and high estimate for the number of transactions per subsector. We then multiplied the revenue per transaction for each of our currently available products by the low estimate for the number of transactions for the applicable subsector. We then added each of these subsector estimates together to arrive at our estimate serviceable addressable market figure of greater than $33 billion. We believe the serviceable addressable market for our offerings will continue to grow over time as we add more products to our software platform, grow our partner ecosystem, and expand internationally. We believe that our software platform is well positioned to address the critical requirements of and capture a meaningful portion of these markets.

Limitations of Alternative Approaches

Consumers expect modern banking experiences to be as simple as other online shopping experiences. To thrive in an increasingly competitive market, financial services firms need to deliver personalized, high quality consumer experiences to grow revenue, while simultaneously lowering costs, so they can offer more competitive rates and invest in faster innovation cycles.

Financial services firms may not have the resources and in-house software expertise to meet rising consumer expectations. Most organizations are unable to offer consumers personalized product offerings, offers for third-party services, multi-product shopping experiences, or even the opportunity to continue applying for a single product across more than one channel. Many financial services firms find it difficult to use the customer data they have already collected to pre-populate an application form or cross-sell a product.

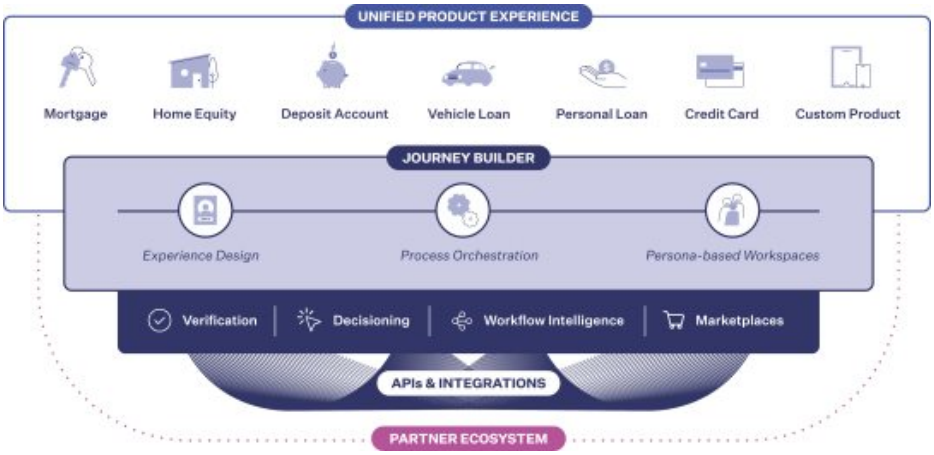
Due to the above, we believe digital transformation has never been more imperative for financial services firms. However, these efforts are often hampered by aging infrastructure. In addition, financial services firms typically use separate technology stacks for mortgages, consumer lending products, and deposit accounts, making it difficult to drive rapid improvements. This architecture is inflexible, costly to maintain, and produces data silos that result in poor consumer experiences.

Our Solutions

We have created a flexible cloud-based software platform for financial services firms that is designed to power the end-to-end consumer journey for any banking product. From the moment a consumer starts an application to the moment they close a loan or open a deposit account, our software platform streamlines the process, so financial services firms can deliver superior consumer experiences, drive growth, and increase operational efficiency.

We believe we are well positioned to benefit from the acceleration in digital transformation investment taking place across the financial services sector. Our software simplifies complex origination processes that can include hundreds of tasks and require interactions with dozens of external technology, data, and services providers. By automating these tasks and developing pre-built integrations, we help our customers potentially avoid years of expensive in-house software development and free up resources for other initiatives.

Blend's Cloud-Based Software Platform



Product Offerings

Blend's cloud-based software platform powers the mission-critical interface between financial services firms and consumers. Financial services firms can rapidly deploy our growing number of out-of-the-box, white-labeled products for:

- **Mortgage**—provides an end-to-end digital mortgage experience from application to close that puts financial services firms at the center of the broader homeownership journey.
- **Home Equity**—modernizes home equity line of credit and home equity loan origination experiences, delivering higher application submission rates and faster closings.
- **Vehicle Loan**—enables rapid financing that helps consumers get into their car, boat, RV, or powersport vehicle faster.
- **Credit Card**—increases application conversions through a configurable product selection experience, streamlined data collection, and instant approvals.
- **Personal Loan**—drives faster pre-approvals for unsecured and secured personal loans, lines of credit, and overdraft protection lines.
- **Deposit Account**—increases application conversion rates and reduces fraud risk with features that support financial services firms' Bank Secrecy Act and anti-money laundering policies.

In addition, we have developed a product called Blend Close that streamlines traditional, hybrid, and fully digital closing experiences for mortgages, home equity lines of credit, and home equity loans.

Journey Builder

Each of our products is built from an extensive library of modular components that typically include data collection, verification checks, product selection, pricing, pre-approvals, disclosures, addressing stipulations, and signing closing documents. Blend and our customers can rapidly create new product offerings by assembling our modular components into workflows using our Journey Builder, which includes tools for:

- **Experience design**—through low-code design tools, we enable the creation of flexible, consumer-facing forms, user flows for data collection, and automated communications that reflect the brand of each of our customers.
- **Process orchestration**—through a drag-and-drop editor we enable the creation of personalized workflows that guide consumers through the process of getting a loan or opening a deposit account.
- **Persona-based workspaces**—our software platform provides omni-channel user experiences for a broad range of stakeholder personas: consumers, loan officers, bankers, real estate agents, settlement agents, and notaries.

The modular components that make up our products generally fall under the categories of verification, decisioning, workflow intelligence, and marketplaces.

Verification Components

Our verification components automate confirmation tasks that are needed to underwrite a loan or approve the opening of a new deposit account. We have pre-built integrations with providers of technology and services to address requirements for:

- **Identity verification**—to help financial services firms reduce fraud risk and address compliance requirements for know-your-customer (KYC) and anti-money laundering (AML)

laws, we have integrations that can capture data from government issued IDs and engage third-party identity verification service providers.

- **Asset verification**—with consumer permission, we enable financial services firms to verify account assets from directly-sourced data, sparing applicants the burden of manually collecting this information and providing financial services firms with greater assurance of data accuracy and reliability.
- **Income and employment verification**—we integrate with payroll data providers, enabling financial services firms to verify an applicant's income, employment details, and work history.
- **Credit**—our software platform allows financial services firms to retrieve credit reports from any of the three major credit bureaus and supports both soft and hard credit inquiries.

Decisioning Components

Our decisioning components reduce the need for human intervention by automatically applying business rules throughout an application workflow configured by a financial services firm. Examples include:

- **Pre-approvals**—we automate the generation of a pre-approval decision when consumers meet specific underwriting criteria established by a financial services firm.
- **Cross-selling**—we enable financial services firms to present personalized product recommendations to consumers based on data collected in the course of another product application.
- **Adverse actions**—we automatically generate adverse action notifications for consumers that do not meet minimum credit criteria established by the financial services firm.

Workflow Intelligence Components

Our workflow intelligence components manage data collection and automate tasks throughout the origination process. We create applications with branching logic to streamline initial data collection. Wherever possible, our software eliminates the need for document uploads by integrating with authoritative data sources. We also automate key processing tasks so consumers can begin to address stipulations immediately after a loan application is submitted, including product and pricing selection, automated requests for letters of explanation, and capturing digital signatures on disclosures packages, resulting in faster turn-around times.

Marketplace Components

Our curated marketplace components enable consumers to shop for products and services presented at the precise moment of need during an application for a loan or a deposit account. We currently offer marketplaces that enable consumers to find real estate agents, insurance carriers, and automobiles for sale online. These marketplaces help consumers quickly locate service providers with competitive rates and enable financial services firms to increase operational efficiency by providing a one-stop shopping experience. Our acquisition of Title365, once closed, will enable us to integrate the title, settlement, and escrow process further into our platform and develop a marketplace that provides consumers and financial services firms with the flexibility to choose title insurance partners that provide services at competitive rates.

APIs and Integrations

Through our open APIs we are able to seamlessly integrate the capabilities of technology, data, and service providers into our software platform. As we develop integrations with new partners, our

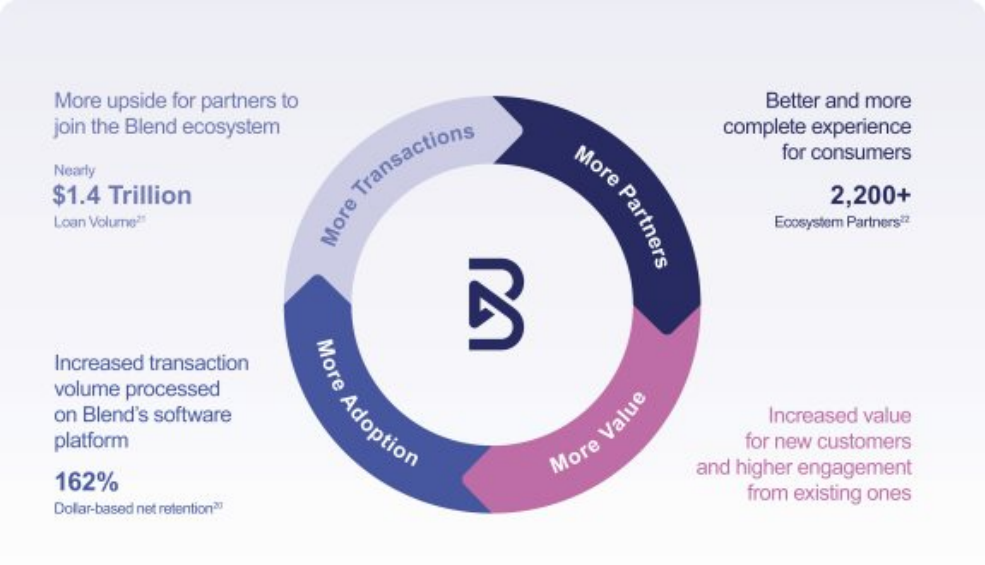
customers can quickly experience the benefits across their product suite. In addition, financial services firms can use our APIs to develop integrations with the back office systems in their tech stack, creating a unified, agile architecture for powering superior consumer journeys.

The Blend Ecosystem

We bring together an extensive partner ecosystem through our software platform consisting of more than 2,200 currently active technology, data, and service providers that has grown by more than 1,300% year-over-year as of March 31, 2021. We provide the central hub through which these partners collaborate to deliver best-in-class consumer journeys in highly efficient ways. In addition, we provide our ecosystem partners with a critical distribution channel to reach a universe of more than 100 million consumers at the precise moment they are looking for products and services through the financial services firms we serve.

By providing the software that powers consumer journeys at financial services firms across digital, contact center, and branch channels, we are able to benefit from a substantial volume of high-intent consumer traffic with no incremental acquisition costs. As more financial services firms become Blend customers or deploy additional products through our software platform, the number of consumers using our software platform grows, which attracts more service providers to our ecosystem to serve those consumers. As a result, consumers benefit from more opportunities to save time and money, financial services firms benefit from increased operational efficiency, our partners benefit from increased distribution, and Blend generates additional revenue. We believe this win-win-win-win model creates a powerful network effect that will continue to expand our serviceable addressable market over time

Our Partner Ecosystem and Network Effect



20. As of December 31, 2020.
21. As of December 31, 2020.
22. As of March 31, 2021.

Key elements of our partner ecosystem include:

- **Technology Partners**—we have built integrations with over 45 technology vendors including leading providers of CRM platforms, loan origination systems, core banking systems, document generation systems, and pricing and product engines. These integrations accelerate our deployments and reduce the need for financial services firms to build their own integrations.
- **Data Partners**—we have partnerships with 29 data services providers that help us automate verification checks and reduce the need for consumers to upload documents. These data services providers include credit bureaus, payroll service providers, tax preparers, consumer asset data integrators, employment verification services, and anti-fraud services.
- **Marketplace Partners**—we partner with more than 1,200 individual realtors and 24 insurance carriers who offer their services through marketplaces integrated into our consumer journeys, enabling consumers to shop for service providers at the precise moment they need these services.
- **Settlement Services Partners**—more than 900 settlement agencies have been onboarded onto our software platform, enabling us to streamline the settlement and closing process for consumers getting a mortgage, home equity line of credit, or home equity loan.

To provide consumers with optimal end-to-end journeys through our software platform, we have created our own property and casualty insurance agency and our own title insurance agency. Consistent with this strategy, on March 12, 2021 we signed a definitive agreement to acquire Title365, a leading title insurance agency, from Mr. Cooper Group Inc. Title365 will be integrated with our platform, which enables financial services firms to automate title commitments and streamline communication with consumers and settlement teams. Title365 will also expand our partner ecosystem through its network of more than 7,000 notaries.

Key Benefits to Our Customers

We help our customers increase their revenue by powering best-in-class customer experiences that result in:

- **Increased consumer acquisition**—our self-service consumer journeys are available at any hour on any device, which contributes to a higher volume of application submissions. In addition, through extensive automation, we enable loan teams to handle a greater volume of loans per month.
- **Deeper consumer relationships**—we increase loyalty and lifetime value for our customers by allowing consumers to explore multiple product offers in a single session. For example, consumers can complete a mortgage application and be presented with an immediate opportunity to open a deposit account or apply for a credit card without having to re-enter information.
- **Increased consumer satisfaction**—we enable consumers to apply for products in minutes on any device, transition seamlessly between channels throughout the origination process, benefit from as much human support as they prefer, and save money on realtor commissions, home insurance, title insurance, and automobile purchases. When consumers rate our product experience, the median rating is 9 out of 10.

We also position our customers for long-term success by helping them streamline operations and increase efficiency through:

- **Faster innovation cycles**—through our software platform, we help financial services firms evolve their business at a faster pace and adapt more quickly to changing market conditions than ever before. Our flexible software platform reduces time to market for new product offerings and eliminates the need to build integrations with an extensive array of technology and data services providers.
- **Lower operating costs**—we reduce labor costs, hedging costs, and warehouse line costs by automating workflows, shortening loan cycles, and enabling digital closings. Customers of our Mortgage product are able to reduce loan cycles by an average of 7.3 days and benefit from an average of $520 in cost savings and incremental revenue per loan according to a commissioned survey conducted by MarketWise Advisors LLC in 2020.
- **Lower development costs**—our customers benefit from a flexible, white-label software platform that is regularly updated and enhanced by hundreds of engineering, product, and operations specialists.
- **Reduced risk of fraud and human errors**—we aggregate financial data from multiple sources with consent from consumers, which reduces the need to upload, review, and transcribe documents.

Ultimately, it is our goal to help banks, credit unions, fintechs, and non-bank lenders proactively improve financial opportunities for consumers. By removing friction, increasing transparency, and bringing greater personalization to consumer acquisition workflows, we see the potential for our software platform to help financial services firms improve the lives of millions of consumers.

What Sets Us Apart

We have already achieved significant growth, and we believe we are well positioned to serve as a long-term strategic innovation partner and provider of mission-critical software to financial services firms due to the following factors:

- **Single software platform designed for any banking product**—as a leading cloud-based software provider that streamlines the end-to-end consumer journey for mortgages, consumer loans, and deposit accounts through a single, unified software platform, we are a trailblazer with powerful competitive advantages. We support multi-product shopping experiences and enable consumers to move seamlessly across digital devices, contact centers, and branches throughout the origination process, providing additional benefits and incentives for customers to standardize on our software platform across products and channels. Since 2015, we have invested more than $165 million in research and development to build our software platform and grow our business. We believe the time, cost, and effort to replicate the breadth of our products and depth of our capabilities is difficult for others to match.
- **Configurable software platform for accelerating innovation—**we enable financial services firms to rapidly build and launch new product offerings by leveraging our low-code design tools and an extensive library of modular components purpose-built for loan origination, account opening, and consumer onboarding. Through our software platform, we deliver product updates on a weekly basis. Our products are highly complex and require us to have advanced knowledge of modern software development techniques as well as deep industry expertise, including in-depth knowledge of financial services regulations, product offerings, and operational workflows for approving loans and opening accounts.
- **Expansive partner ecosystem**—through our integrations and marketplaces we enable more than 2,200 currently active technology, data, and service providers to collaborate through our

software platform and provide superior consumer experiences. The scale of our partner ecosystem has grown by more than 1,300% year-over-year as of March 31, 2021, and we have signed a definitive agreement to acquire Title365, which will further add more than 7,000 notaries. By aggregating transaction volume across multiple financial services firms, we are able to negotiate competitive rates for technology and data services we bundle into our products. We believe it would take competitors substantial time, effort, and cost to replicate the scale and benefits of our rapidly growing partner ecosystem.

- **Powerful network effects**—by providing the software that powers consumer journeys at financial services firms across digital, contact center, and branch channels, we are able to benefit from a substantial volume of high-intent consumer traffic with zero incremental consumer acquisition costs. As more consumers use our software platform to apply for financial services products, we attract more partners to our ecosystem. This allows us to deliver more value to consumers, attract more financial services firms as customers, expand our existing relationships with financial services firms, and generate increased revenue from completed transactions, creating a powerful network effect and differentiator for our business. Our aim is to become the distribution platform of choice for technology, data, and service providers to efficiently reach and serve consumers undertaking major financial transactions.
- **Agency subsidiaries and licensing**—we created our own property and casualty insurance agency with licensing in all 50 states to facilitate transactions in our home insurance marketplace, and we have signed a definitive agreement to acquire Title365, one of the largest title insurance agencies in the United States, with licenses and partnerships covering all 50 states in order to deliver the benefits of our software platform to financial services firms at greater scale. We believe the complexity, cost, and level of effort to duplicate this operational scale is difficult for others to replicate.
- **Extensive network of customers**—we have become a supplier of mission-critical software to hundreds of financial services firms, including 31 of the top 100 financial services firms in the United States by assets under management and 24 of the top 100 non-bank mortgage lenders by loan volume, and we have a proven track record of delivering our products securely, at scale, and in a way that meets their demanding needs. Once deployed, we become deeply embedded in business processes and integrated with back office systems, which makes us difficult to replace. This gives us a strong vantage point to be able to cross-sell additional offerings to our customers. In addition, the scale and diversity of our customer base provides us with extensive data and deep insights that help us strengthen our software platform, enhancing our ability to serve existing and future customers.

Our Growth Strategies

We intend to continue driving growth through the following strategies, while always maintaining a laser focus on the success of our customers:

- **Increase the volume of banking transactions we power for our customers**—we believe there is a large market for our software platform in the United States and around the world. Our revenue grows as we increase our transaction volume by attracting new customers and by growing our relationships with existing customers. Our customers include less than 5% of the top 100 financial services firms in the world, and we believe there is a large, untapped opportunity to provide additional product offerings to the financial services firms we currently serve. For example, in 2020 we launched a new product for traditional and digital closings that was purchased by more than 70 customers over the span of eight months. As of March 31, 2021, our product portfolio consisted of seven primary software products, and 61% of our customers were using two or more products or marketplaces.

- **Continue to invest in new product offerings**—we see numerous opportunities to expand our product suite both horizontally and vertically over time in ways that help us increase the volume of transactions we power and increase our revenue per banking transaction. Through our deep customer relationships we gain insights that help us align our roadmap and strategy with the most pressing needs of financial services firms. While we focus today on consumer banking, we believe we can rapidly expand our library of modular components to support commercial banking products as well. In addition to developing products in-house, we anticipate pursuing selective acquisitions and partnerships to accelerate our growth. We believe we are well-positioned over the long term to become one of the top cloud-based banking platforms responsible for powering end-to-end consumer experiences across both origination and servicing.
- **Integrate more marketplaces into our end-to-end consumer journeys**—we generate commissions as consumers use our integrated marketplaces to select a realtor, purchase insurance, and shop online for used cars, which helps us increase our revenue per banking transaction. As we integrate more shopping experiences into our products, we can generate additional commissions with zero incremental consumer acquisition costs, while enabling financial services firms to deliver better consumer experiences.

Our Customers

Strong customer relationships are a cornerstone of our success. Our customer relationships grow over time as our platform is used for a broader range of products. Customers typically complete an initial deployment for one or two products and then add more products over time, building toward a unified consumer experience that supports multi-product shopping journeys. Our dollar-based net retention rate was 162% as of December 31, 2020.

Our customers are currently based in the United States and range in size from the largest banks, credit unions, fintechs, and non-bank mortgage lenders in the nation to smaller community lenders with less than $1 billion in assets under management. Representative customers include Wells Fargo, U.S. Bank, M&T Bank, Truist, BMO Harris Bank, Elements Financial Federal Credit Union, Mountain America Credit Union, Lennar Mortgage, PennyMac, Primary Residential Mortgage, Inc., and Opendoor.

We focus our go-to-market strategy on large financial services firms. As of December 31, 2020, we had 291 customers, including 31 of the top 100 financial services firms in the United States by assets under management and 24 of the top 100 non-bank mortgage lenders by loan volume. In 2020, 18 customers each generated more than $1 million in revenue for us, which represented 53% of our revenue in 2020.

Customer Case Studies

U.S. Bank

With more than $550 billion in assets, U.S. Bank is the fifth largest commercial bank in the United States. As part of their strategy to become more central to the financial lives of their customers, the bank selected Blend in 2016 to modernize their mortgage experience. They expanded the use of Blend to include home equity loans and lines of credit in 2018, Blend's home insurance marketplace in 2019, and Blend's digital closings product in 2021. As a result of the partnership, U.S. Bank indicated they experienced:

- On average, a 10 day reduction in purchase cycle times with some mortgage loan cycles as short as 7 days
- Home equity loan cycles reduced from 40 days to 21 days

"We understand our customers' focus is owning a home. Important in our selection process was choosing a technology partner who understood our vision for taking the hassle out of the mortgage process, allowing our team of mortgage professionals to focus on understanding and meeting our customers' needs while advancing our mission of sustainable homeownership." - *Tom Wind, Executive Vice President, Consumer Lending*.

BMO Harris Bank

BMO Harris Bank is part of BMO Financial Group, a highly diversified financial services provider and the eighth largest bank, by assets, in North America with total assets of $973 billion as of January 31, 2021. In 2018, the bank selected Blend to help increase market share for their mortgage and home equity products, and in 2020 the decision was made to expand use of Blend to also cover personal loans. Blend has supplemented the bank's strong branch presence and online banking experience by further enhancing its home financing digital capabilities. According to BMO Harris Bank, Blend helped to drive results in the following areas:

- 253% year-over-year increase in digital home equity applications from 2018 to 2019
- Over 100,000 hours of processing time saved for home equity applications in a single year

"Blend has been an important part of the profitable growth across our mortgage and home equity lending products." - *Mark Shulman, Head of Consumer Lending*.

Elements Financial Federal Credit Union

Elements Financial Federal Credit Union has more than 100,000 members and over $2 billion in assets. The credit union deployed Blend's mortgage product in 2017 to improve their member experience and competitive position. In 2019, Elements Financial Federal Credit Union expanded its portfolio of Blend products to include home equity loans and lines of credit, vehicle loans, personal loans, credit cards, and deposit accounts. Key changes in average monthly results noted by Elements Financial Federal Credit Union after deploying Blend include:

- 105% average increase in application submission rate for deposit accounts
- 11% average increase in approved applications for vehicle loans, personal loans, and credit cards
- 60% average reduction in application submission times from 11.2 minutes to 4.4 minutes for vehicle loans, personal loans, and credit cards

"We want a consumer solution for all products because we don't want our members to have different experiences on different platforms." - *Ron Senci, Executive Vice President of Sales and Lending*.

Lennar Mortgage

Lennar Mortgage is a subsidiary of Lennar Corporation, a Fortune 500 company and the nation's largest homebuilder. Lennar Mortgage selected Blend in 2017 to simplify the process for consumers to get a mortgage and added Blend's home insurance marketplace in 2020. In 2018, Lennar Mortgage reported the following key benefits from their partnership with Blend:

- 2 hours average time saved by loan officers per loan
- 42% higher consumer NPS score
- Mortgage loan cycles as short as 10 days

"The thing that we like about Blend is that they're forward-thinking." - *Tom Moreno, CIO Lennar Financial Services*.

Primary Residential Mortgage, Inc.

Primary Residential Mortgage, Inc., or PRMI, is a nationwide, multibillion-dollar mortgage lender with over 250 branches, licensed in 49 states and more than 1,800 employees. Blend was selected in 2017 to improve the PRMI customer experience and maximize each loan officer's productivity. In 2020, PRMI reported key results from their use of Blend including:

- 33% loan volume growth in 2019
- 53% of applications are submitted on mobile devices
- Mortgage applications submitted in as little as 9 minutes

"Organizations like ours are looking for solutions that allow us to transact business more effectively, remove potential defects and stumbling blocks out of the process, and help us to create a better customer experience at a lower cost." - *Chris Jones, President of Retail*.

Opendoor

Opendoor is a leading digital platform for residential real estate that has enabled more than 90,000 customers to buy and sell homes. In 2018, Opendoor selected Blend to accelerate their ability to bring a mortgage product to market. The relationship further expanded in 2021 when Opendoor began using Blend's integrated marketplace for property and casualty insurance. Key results from using Blend for the quarter ending March 31, 2021 include:

- 40% of applications submitted via mobile devices on average
- 66.2 average consumer Net Promoter Score

"Blend helped us meet our goals of delivering a digital experience to our customers, while accelerating our time to market." - *Eric Wu, Co-Founder and CEO*.

Sales and Marketing

We focus on building successful long-term customer relationships through a go-to-market approach we call the Customer First model. Under this approach, accounts are staffed with a Relationship Manager and Customer Success Manager who work together to align revenue growth with value delivery.

Our products are sold through a direct sales force that continues to manage customer relationships on an ongoing basis post-sale. To create incentives for acquiring new customers and growing existing relationships, compensation is based on a combination of closing new deals and growing transaction volume through our software platform. We use a "land and expand" approach to growing customer relationships, typically completing an initial deployment for one or two products and then adding more products over time.

Our marketing is designed to highlight the success of our customers and engage the market through high-value, personalized offers and experiences. Our marketing efforts are focused on building brand awareness, inbound lead generation, market education, and supporting our direct sales team. To maintain a high level of engagement with our customers, we host a customer conference called Forward and an executive summit called Forum where we discuss the latest innovations shaping the future of lending and banking with our customers and with leaders across the industry.

Customer Success

We work in close partnership with our customers to help them rapidly deploy our software platform and realize value as quickly as possible from the breadth of our features. By investing deeply in the success of our customers, we seek to build a strong foundation for long-term relationships. Each customer is supported by a team of deployment and integration specialists. Most new customer deployments are completed within three to four months, including integrations to back-end systems. To reduce friction during the sales process, deployment services are typically delivered at near break-even costs, and we provide our customers with a free testing environment.

We also provide free training services and maintain an online knowledge base with best practices and training information to help our customers educate more than 55,000 loan originators, processors, and support staff. We publish weekly release notes featuring product updates, and our support professionals are available 24 hours per day, seven days per week, and 52 weeks per year to answer questions and help customers resolve issues.

Research & Development

Our software platform operates as the interface that connects consumers, financial services firms, and third-party service providers such as realtors, property and casualty insurance providers, title agencies, and notaries. We invest substantial resources in research and development to expand our software platform by developing new components, features, and product offerings. Our engineering, product, and design teams build our software platform and products in close partnership with our customers and use focus groups with both customers and consumers to gain a deep understanding of the tasks and workflows we automate. We also analyze the data from millions of applications flowing through our system to understand opportunities for driving further efficiencies and improvements.

We use Agile software development methodologies and automated testing to support continuous product deployment with new code shipping nearly every week. Our modular platform architecture uses microservices and APIs to support the ability for our customers to create unique financial product offerings and consumer journeys. As of December 31, 2020, we had 209 full-time employees, or 36% of our total headcount, involved in research and development and related activities. Our research and development organization is based in San Francisco, California with additional resources around the United States.

Our Culture and Employees

We have built a unique culture around a series of beliefs and practices we call The Blend Way. The key elements of our belief system are:

1. Create Long Term Customer Value—we aim to consistently improve every day by integrating four key sources of customer value into all that we do: increased growth, reduced friction, reduced complexity, and reduced risk and cost.

2. Be a Dream Team—we aim to hire the best people, catalyze their professional performance and growth, and build a collaborative culture where highly diverse talent will thrive.

3. Act with Urgency—we aim to act quickly, learn and move on. We're on a decades-long journey, where every second counts.

4. Focus on Inputs Over Outcomes—we aim to improve our decision-making quality rather than focusing on near-term results, believing that intelligent decision-making will yield the best outcomes over time.

5. Be Bold and Take Action—we aim to be agile and courageous in the pursuit of a big vision, nimbly leaning into the next tough challenge or ambiguous problem that's yet to be solved.

6. Create Unique Advantages—we aim to build our competitive edge by delivering unique value, and maintain that edge through a perpetual innovator's mindset.

7. Distribute Ownership—we aim to ensure our builders have the authority, autonomy, and ownership to quickly and freely create.

8. Lead with Candor and Context—we aim to recognize the inherent power in all of us, knowing that access to straightforward information shared openly is the best catalyst to manifest that power.

Our employees are a key reason for our success and are essential for our continued growth. Our culture, industry success, and competitive compensation enable us to successfully retain our employees and to effectively recruit new talent aligned with our vision. We have received numerous awards for corporate culture and professional development and were recently listed by Forbes as one of America's Best Startup Employers for 2021 and by Inc. Magazine as one of America's Best Workplaces for 2021.

Central to Blend's culture is our commitment to Diversity, Inclusion & Belonging. Our core goals in this area include becoming an equitable employer of the future, creating an open and equitable consumer banking ecosystem, and demonstrating social impact and community investment. To achieve these goals, we cultivate diverse talent pipelines, partner with organizations committed to promoting racial equity and greater accessibility in the financial services ecosystem, and support philanthropic causes. Over the past year, we have contributed funds to support disaster relief, racial equity, and the combating of violence against the Asian- and Asian-American community.

As of December 31, 2020, we had a total of 577 employees. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

Our Commitment to Social Impact

Blend's mission is to expand access to the world's financial resources. Our digital-first products help financial services firms deliver financial products to consumers that improve their lives. We are proud to build consumer journeys that are accessible to all, especially those in underbanked communities.

In August 2020, we launched the Equitable Ecosystem Initiative to drive accessibility and promote racial equity in the financial services ecosystem through community partnerships, technology investments, and regulatory engagement. We have partnered with organizations to increase opportunity for new and prospective Black homebuyers. We have also supported the longevity of Minority Depository Institutions, or MDIs, and Community Development Financial Institutions, or CDFIs, including through the creation of a partnership with a financial services firm to drive capital to MDIs and by offering to provide Blend's software platform to MDIs and CDFIs for free. In addition, we are committed to working closely with non-profits, industry partners, and our customers to develop enhancements to our software platform that further support more equitable outcomes for underbanked communities.

We have also joined the Pledge 1% movement, a community of companies devoted to driving positive social impact. As a member of this community we have committed 1% of our product and employee time to supporting our Equitable Ecosystem Initiative, and we encourage employees to support causes of their choice by offering 24 hours of paid time off for participating in volunteer programs.

Competition

The primary competitors for our software platform include point solution vendors, providers of back office software with proprietary digital capabilities, and systems developed internally at financial services firms. We also expect new players to enter the market and existing companies to allocate more resources to develop and market products that compete with ours. We contract with several providers of back-office software for financial services firms in order to integrate our products with their software, and these providers may choose to offer competing software products. We believe we distinguish ourselves from the competition through the breadth of our product offerings, the flexibility of our configurable platform architecture, our ability to support multi-product shopping experiences, the scale of our ecosystem, the service-provider marketplaces integrated into our product offerings, the size and scale of our customer base, and our ability to power superior end-to-end consumer journeys.

The principal competitive factors in our industry include:

- product functionality;
- consumer experience;
- employee user experience;
- time to value;
- total cost of ownership;
- flexibility;
- scalability;
- ease of integration;
- level of customer satisfaction;
- ability to innovate rapidly;
- brand awareness; and
- brand reputation.

We believe our product strategy, speed of innovation, and company culture allow us to compete favorably with respect to these factors. However, we expect competition to increase as our competitors invest more in their digital capabilities. Our ability to remain competitive will depend on our ongoing efforts to expand our product capabilities and increase the value we deliver to our customers.

Intellectual Property

We believe that our success depends in part on our ability to protect our core technology and innovations. We rely on a combination of trademark, patent, copyright, and trade secret laws in the United States and other jurisdictions, as well as license agreements, contractual restrictions, non-disclosure agreements, intellectual property assignment agreements, and other contractual protections, to establish and protect our intellectual property rights. We control access to our proprietary technology by entering into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with third parties. Though we rely in part upon these legal and contractual protections, we believe that factors such as the technological and creative skills of our personnel, creation of new services, features and functionality, and frequent enhancements to our software platform are more essential to establishing and maintaining our technology leadership position. In addition, we use open source software in our services. The terms of

various open source licenses have not been interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our services.

As of March 31, 2021, we had one issued patent in the United States and patent applications pending in the United States, European Patent Office, Canada, and Australia. We continue to evaluate our intellectual property portfolio, and may seek patent protection for additional intellectual property developed by us in the future. Additionally, we have registered the term “Blend” in the United States, the United Kingdom, and the European Union, and as of March 31, 2021, we had pending trademark applications in the United States as well as Canada. We also have registered domain names that we use in, or are related to, our business, most importantly blend.com.

We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost-effective. Despite our efforts to protect our intellectual property rights, they may not be respected in the future or may be invalidated, circumvented, or challenged. For additional information, see the section titled *“Risk Factors—Risks Related to Our Intellectual Property—Failure to adequately protect our intellectual property could adversely affect our business, financial condition, and results of operations.”*

Government Regulation

Our customers and prospective customers are highly regulated and are generally required to comply with stringent regulations in connection with performing business functions that our products and services address. Additionally, we facilitate compliance with these regulatory requirements. While we currently operate our business in an effort to ensure our business itself is not subject to extensive regulation, there is a risk that certain regulations could become applicable to us, including as we expand the functionality of and services offered through our software platform. In addition, we and our partners, vendors, and other service providers must comply with laws and regulatory regimes that apply to us directly and our partners, vendors, and other service providers indirectly, including through certain of our products, as a technology provider to financial services firms, and in areas such as privacy, data security and data protection, and our contractual relationships with our customers.

In particular, certain laws, regulations, and rules our customers are subject to, and we facilitate compliance with, include:

- TILA, and Regulation Z promulgated thereunder, and similar state laws, which require certain disclosures to borrowers regarding the terms and conditions of their loans and credit transactions, and require creditors to comply with certain lending practice restrictions as well as TRID, which imposes specific requirements around the collection of information, charging of fees, and disclosure of specific loan terms and costs upon receipt of an application for credit;
- RESPA and Regulation X which require certain disclosures to be made to the borrower at application, as to the financial services firm’s good faith estimate of loan origination costs, and at closing with respect to the real estate settlement statement, prohibits giving or accepting any fee, kickback or a thing of value for the referral of real estate settlement services or accepting a portion or split of a settlement fee other than for services actually provided for affiliated business relationships, prohibits receiving anything other than a legitimate return on ownership, requiring use of an affiliate, and failing to provide a disclosure of the affiliate relationship;
- ECOA, and Regulation B promulgated thereunder, and similar state fair lending laws, which prohibit creditors from discouraging or discriminating against credit applicants on the basis of

race, color, sex, age, religion, national origin, marital status, the fact that all or part of the applicant's income derives from any public assistance program or the fact that the applicant has in good faith exercised any right under the federal Consumer Credit Protection Act;

- FCRA, and Regulation V promulgated thereunder, imposes certain obligations on consumer reporting agencies, users of consumer reports and those that furnish information to consumer reporting agencies, including obligations relating to obtaining consumer reports, marketing using consumer reports, taking adverse action on the basis of information from consumer reports and protecting the privacy and security of consumer reports and consumer report information;
- Section 5 of the FTC Act, which prohibits unfair and deceptive acts or practices in or affecting commerce, and Section 1031 of the Dodd-Frank Act, which prohibits unfair, deceptive or abusive acts or practices in connection with any consumer financial product or service, and analogous state laws prohibiting unfair, deceptive or abusive acts or practices;
- GLBA, and Regulation P promulgated thereunder, which includes limitations on financial services firms' disclosure of nonpublic personal information about a consumer to nonaffiliated third parties, in certain circumstances requires financial services firms to limit the use and further disclosure of nonpublic personal information by nonaffiliated third parties to whom they disclose such information and requires financial services firms to disclose certain privacy notices and practices with respect to information sharing with affiliated and unaffiliated entities as well as to safeguard personal borrower information, and other privacy laws and regulations;
- EFTA, and Regulation E promulgated thereunder, which provide guidelines and restrictions on the electronic transfer of funds from consumers' bank accounts, including requirements for overdraft services and a prohibition on a creditor requiring a consumer to repay a credit agreement in preauthorized (recurring) electronic fund transfers and disclosure and authorization requirements in connection with such transfers;
- HPA, which requires certain disclosures and the cancellation or termination of mortgage insurance once certain equity levels are reached;
- HMDA, and Regulation C, which require reporting of loan origination data, including the number of loan applications taken, approved, denied and withdrawn;
- FHA, which prohibits discrimination in housing on the basis of race, sex, national origin, and certain other characteristics;
- The SAFE Act, which imposes state licensing requirements on mortgage loan originators;
- state laws and regulations impose requirements related to unfair or deceptive business practices and consumer protection, as well as other state laws relating to privacy, information security, conduct in connection with data breaches;
- TCPA, and the regulations promulgated thereunder, which impose various consumer consent requirements and other restrictions in connection with telemarketing activity and other communication with consumers by phone, fax or text message, and which provide guidelines designed to safeguard consumer privacy in connection with such communications;
- CAN-SPAM and TSR, and analogous state laws, which impose various restrictions on marketing conducted use of email, telephone, fax or text message;
- ESIGN Act, and similar state laws, particularly UETA, which authorize the creation of legally binding and enforceable agreements utilizing electronic records and signatures and which require financial services firms to obtain a consumer's consent to electronically receive disclosures required under federal and state laws and regulations;

- ADA, which has been interpreted to include websites as "places of public accommodations" that must meet certain federal requirements related to access and use;
- RFPA and similar state laws enacted to provide the financial records of financial services firms' customers a reasonable amount of privacy from government scrutiny;
- BSA and the USA PATRIOT Act, which relate to compliance with anti-money laundering, borrower due diligence and record-keeping policies and procedures;
- the regulations promulgated by OFAC under the U.S. Treasury Department related to the administration and enforcement of sanctions against foreign jurisdictions and persons that threaten U.S. foreign policy and national security goals, primarily to prevent targeted jurisdictions and persons from accessing the U.S. financial system; and
- other state-specific and local laws and regulations.

In addition to the laws, regulations, and rules that apply to our customers, and that we facilitate compliance with, we, in our capacity as a service provider to financial services firms and as a provider of marketplace services directly to consumers, and our partners, vendors, and other service providers, may be deemed to be subject to certain laws, regulations, and rules through our relationships with our customers including RESPA, FCRA, FTC Act, GLBA, FHA, TCPA, CAN-SPAM, TSR, ESIGN Act, ADA, OFAC, and state laws and regulations that impose requirements related to unfair or deceptive business practices and consumer protection, as well as other state laws relating to privacy, information security, conduct in connection with data breaches.

We are also subject to a variety of laws, rules, and regulations relating to the real estate, property and casualty insurance, title insurance and settlement services industries, mobile- and internet-based businesses, and data security, advertising, privacy, and consumer protection laws. See "*Risk Factors—Risks Related to Our Legal and Regulatory Environment*" for additional information and a discussion of our regulatory risks.

Data Privacy and Security

The data we collect, use, receive, and otherwise process is integral to our business, providing us with insights to improve our software platform and our products. Our collection, use, receipt, and other processing of data in our business subjects us to numerous U.S. state and federal laws and regulations addressing privacy, data protection, information security, and the collection, storing, sharing, use, transfer, disclosure, protection and processing of certain types of data. Such regulations include, for example, GLBA, the Children's Online Privacy Protection Act, the Personal Information Protection and Electronic Documents Act, CAN-SPAM, Canada's Anti-Spam Law, TCPA, FCRA, the FTC Act, and CCPA. We work to comply with, and to help allow customers to comply with, applicable laws and regulations relating to privacy, data protection and information security. This helps underpin our strategy of building trust and providing a strong experience to customers.

Despite our efforts to comply with applicable laws, regulations, and other obligations relating to privacy, data protection, and information security, it is possible that our interpretations of the law, practices, or software platform could be inconsistent with, or fail or be alleged to fail to meet all requirements of, such laws, regulations, or obligations. Our failure, or the failure by our partners, vendors, service providers, or customers, to comply with applicable laws or regulations or any other obligations relating to privacy, data protection, or information security, or any compromise of security that results in unauthorized access to, or use or release of personal information or other data relating to consumers or other individuals, or the perception that any of the foregoing types of failure or compromise has occurred, could damage our reputation, discourage new and existing customers and consumers from

using our software platform, or result in fines, investigations, or proceedings by governmental agencies and private claims and litigation, any of which could adversely affect our business, financial condition, and results of operations.

See the section titled "*Risk Factors—Risks Related to Our Legal and Regulatory Environment—Changes in laws or regulations relating to privacy, data protection or the protection or transfer of personal information, or any actual or perceived failure by us to comply with such laws and regulations or any other obligations relating to privacy, data protection or the protection or transfer of personal data, could adversely affect our business.*" for additional information about our approach to laws and regulations relating to privacy, data protection, and information security.

Facilities

Our corporate headquarters is located in San Francisco, California, where we currently occupy facilities totaling approximately 47,000 square feet under a lease agreement that expires in 2025. We also lease offices in New York, New York and Thousand Oaks, California. We do not own any real property. We believe that our current facilities are adequate to meet our current needs, and we believe we can acquire suitable additional or alternative space as needed.

Legal Proceedings

From time to time, we may become involved in legal proceedings or be subject to claims arising in the normal course of business. We are not presently party to any litigation that, if determined adversely to us, we believe would be likely to have a material adverse effect on our business, financial condition, results of operations, or cash flows.

Future litigation may be necessary, among other things, to defend ourselves or our customers by determining the scope, enforceability, and validity of third-party proprietary rights or to establish our proprietary rights. The results of any litigation cannot be predicted with certainty, particularly in the areas of unsettled and evolving law in which we operate, and an unfavorable resolution in any legal proceedings could materially affect our future business, financial condition, or results of operations. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

MANAGEMENT

Executive Officers and Directors

The following table provides information regarding our executive officers and directors as of March 31, 2021:

Name	Age	Position(s)
Executive Officers:		
Nima Ghamsari	35	Head of Blend, Co-Founder, and Director
Timothy J. Mayopoulos	62	President and Director
Marc Greenberg	50	Head of Finance and Head of People
Crystal Sumner	37	Head of Legal, Compliance, and Risk and Corporate Secretary
Non-Employee Directors:		
Gerald Chen(1)(2)(3)	46	Director
Erin James Collard(2)(3)	41	Director
Roger Ferguson, Jr.(1)(2)	69	Director
Ann Mather(1)	60	Director

(1) Member of our audit committee
(2) Member of our compensation committee
(3) Member of our nominating and corporate governance committee

Executive Officers

Nima Ghamsari. Mr. Ghamsari is one of our co-founders and has served as Head of Blend and a member of our board of directors since May 2012. He previously worked at Palantir Technologies, a software company. Mr. Ghamsari holds a B.S. in Computer Science from Stanford University.

Mr. Ghamsari was selected to serve on our board of directors because of the perspective and experience he brings as Head of Blend and one of our co-founders.

Timothy J. Mayopoulos. Mr. Mayopoulos has served as our President since January 2019 and as a member of our board of directors since April 2019. Prior to joining us, Mr. Mayopoulos served as the President and Chief Executive Officer of Fannie Mae, a government-sponsored enterprise, from June 2012 to October 2018, having previously served in various other roles, including as its Executive Vice President, Chief Administrative Officer, General Counsel, and Corporate Secretary from April 2009 to June 2012. Mr. Mayopoulos also previously held senior roles at various financial institutions, including Bank of America, Deutsche Bank, Credit Suisse First Boston, and Donaldson, Lufkin & Jenrette. Mr. Mayopoulos has served on the board of directors of Science Applications International Corporation, a technology integrator, since January 2015 and LendingClub Corporation, a digital marketplace bank, since August 2016. Mr. Mayopoulos holds an A.B. in English from Cornell University and a J.D. from the New York University School of Law.

Mr. Mayopoulos was selected to serve on our board of directors because of his financial expertise and experience in financial services and the banking industry.

Marc Greenberg. Mr. Greenberg has served as our Head of Finance since September 2018, and as our Head of People since March 2020. Prior to joining us, Mr. Greenberg led the finance operations and most recently served as Vice President of Finance and Strategy at Pixar Animation Studios, a computer animation film studio, or Pixar, from November 2002 to August 2018. Mr. Greenberg holds a B.S. in Business and Management from the University of Maryland at College Park.

Crystal Sumner. Ms. Sumner currently serves as our Head of Legal, Compliance, and Risk and Corporate Secretary and has served in multiple roles since she joined us in June 2016. Prior to joining us, Ms. Sumner served as Product and Regulatory Counsel of Eventbrite Inc., an event management and ticketing website, from October 2014 to June 2016, and as an Enforcement Attorney for the Consumer Financial Protection Bureau from June 2011 to September 2014. Prior to her in-house experience, Ms. Sumner was an attorney with O'Melveny & Myers LLP. Ms. Sumner holds a B.A. in International Business from Texas Tech University and a J.D. from the University of California, Berkeley School of Law.

Non-Employee Directors

Gerald Chen. Mr. Chen has served as a member of our board of directors since July 2017. He has been a General Partner at Greylock Partners, a venture capital firm, since June 2013. Mr. Chen has served as a member of the board of directors of Truera, a startup developing a machine learning model intelligence platform, since April 2019 and Chronosphere, a cloud native monitoring tool, since July 2019, and also serves on the board of directors of several other private companies. Mr. Chen holds a B.S. in Industrial Engineering from Stanford University and an M.B.A. from Harvard Business School.

Mr. Chen was selected to serve on our board of directors because of his extensive experience with technology companies and in the venture capital industry.

Erin James Collard. Mr. Collard is one of our co-founders and has served as a member of our board of directors since August 2015. Previously, Mr. Collard served as our Chief Financial Officer from January 2013 to September 2018. He has over a decade of financial and technology experience, having served as both head trader and managing director at Clarium Capital Management LLC, an investment management and hedge fund company. Mr. Collard holds a B.A. in Economics from the University of Sheffield and an M.Sc. in Economics from the University of Warwick.

Mr. Collard was selected to serve on our board of directors because of the perspective and experience he brings as one of our co-founders.

Roger Ferguson, Jr. Mr. Ferguson has served as a member of our board of directors since March 2021. Mr. Ferguson served as the President and Chief Executive Officer of TIAA, a major financial services company, from April 2008 to April 2021. Mr. Ferguson previously served as Chairman of America Holding Corporation, Head of Financial Services, and a member of the Executive Committee of Swiss Re, a global reinsurance company, from 2006 to 2008. Prior to that, Mr. Ferguson joined the Board of Governors of the U.S. Federal Reserve System in 1997 and served as its Vice Chairman from 1999 to 2006, and he also served as an associate and partner at McKinsey & Company from 1984 to 1997. Mr. Ferguson has served as a member of the board of directors of Alphabet Inc. since June 2016, as a member of the board of directors of General Mills, Inc., a manufacturer and marketer of branded consumer foods, since December 2015, where he serves as a member of the finance committee and as chair of the corporate governance committee, as a member of the board of directors of International Flavors & Fragrances, Inc., a creator of flavors and fragrances, since April 2010, where he serves as chair of the compensation committee, and as a member of the board of directors of Corning Incorporated, a manufacturing company. Mr. Ferguson serves on the New York State Insurance Advisory Board and the boards of the American Council of Life Insurers, the Institute for Advanced Study, the Memorial Sloan Kettering Cancer Center, and the Conference Board. He is a fellow of the American Philosophical Society and the Academy of Arts & Sciences and is a member of the Smithsonian Institution's Board of Regents, the Economic Club of New York, the Council on Foreign Relations, and the Group of Thirty. Mr. Ferguson holds a B.A in Economics, a J.D., and a Ph.D. in Economics from Harvard University.

Mr. Ferguson was selected to serve on our board of directors because of his financial expertise and extensive experience in financial services and the banking industry.

Ann Mather. Ms. Mather has served on our board of directors since June 2019. Ms. Mather served as Executive Vice President and Chief Financial Officer of Pixar from September 1999 to April 2004. Ms. Mather has served as a member of the board of directors of Alphabet Inc., a global technology company, since November 2005, Netflix, Inc., a streaming media company, since June 2010, Arista Networks, Inc., a computer networking company, since July 2013, Airbnb, Inc., a vacation rental online marketplace company, since August 2018, and Bumble Inc., an online dating app, since March 2020. Ms. Mather has also served as an independent trustee to the Dodge & Cox Funds board of trustees since 2011 and previously served as a member of the board of directors of Shutterfly, Inc., an internet-based image publishing company, from May 2013 to September 2019, and Glu Mobile, Inc., a publisher of mobile games, from September 2005 to February 2021. Ms. Mather holds a Master of Arts from the University of Cambridge, and is an honorary fellow of Sidney Sussex College, Cambridge and a chartered accountant.

Ms. Mather was selected to serve on our board of directors because of her background serving as a finance executive at a number of technology companies and her experience serving as a director of various private and public companies.

Family Relationships

There are no family relationships among any of our executive officers or directors.

Code of Business Conduct and Ethics

Our board of directors will adopt a code of business conduct and ethics that applies to all of our employees, officers, and directors, including our principal executive officer, principal financial officer, and other executive and senior financial officers. The full text of our code of business conduct and ethics will be posted on the investor relations page on our website. We intend to disclose any amendments to our code of business conduct and ethics, or waivers of its requirements, on our website or in filings under the Exchange Act.

Board of Directors

Our business and affairs are managed under the direction of our board of directors. Our board of directors currently consists of six directors. Pursuant to our current certificate of incorporation and our amended and restated voting agreement, our current directors were elected as follows:

- Messrs. Ghamsari, Collard, Ferguson, and Mayopoulos were elected as the designees nominated by holders of our common stock;
- Mr. Chen was elected as the designee nominated by holders of our Series D convertible preferred stock; and
- Ms. Mather was elected as the designee nominated by holders of our common stock and convertible preferred stock.

Our amended and restated voting agreement will terminate and the provisions of our current certificate of incorporation by which our directors were elected will be amended and restated in connection with this offering. After this offering, the number of directors will be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of this offering. Each of our current directors will continue to serve as a director until the election and qualification of their successor, or until their earlier death, resignation, or removal.

Director Independence

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning their background, employment, and affiliations, our board of directors has determined that Messrs. Chen and Ferguson and Ms. Mather do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the listing standards of the New York Stock Exchange. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described in the section titled "*Certain Relationships and Related Party Transactions*."

In addition, certain phase-in periods with respect to director independence will be available to us under the listing standards of the New York Stock Exchange. We do expect to take advantage of certain of these provisions. These phase-in periods allow us to satisfy the majority independent board requirement within one year of the date of this prospectus, and would require us to have at least one independent member on our nominating and corporate governance committee and at least one independent member on our compensation committee by the date of this prospectus, a majority of independent members on each committee within 90 days of the date of this prospectus, and fully-independent committees within one year of the date of this prospectus.

Committees of the Board of Directors

Our board of directors will establish an audit committee, a compensation committee, and a nominating and corporate governance committee. The composition and responsibilities of each of the committees of our board of directors is described below. Members will serve on these committees until their resignation or until as otherwise determined by our board of directors.

Audit Committee

Following the completion of this offering, our audit committee will consist of Messrs. Chen and Ferguson and Ms. Mather, with Ms. Mather serving as Chair, and each of whom will meet the requirements for independence under the listing standards of the New York Stock Exchange and SEC rules and regulations. Each member of our audit committee will also meet the financial literacy and sophistication requirements of the listing standards of the New York Stock Exchange. In addition, our board of directors has determined that each of Mr. Ferguson and Ms. Mather is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act. Following the completion of this offering, our audit committee will, among other things:

- select a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- help to ensure the independence and performance of the independent registered public accounting firm;
- review and discuss the scope and results of the audit with the independent registered public accounting firm, and review, with management and the independent registered public accounting firm, our interim and year-end results of operations;
- review our financial statements and our critical accounting policies and estimates;
- oversee and monitor the integrity of our financial statements, accounting and financial reporting processes, and internal controls;

- oversee the design, implementation, and performance of our internal audit function;
- oversee our compliance with applicable legal and regulatory requirements;
- oversee our technology security and data privacy programs;
- develop procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- oversee our policies on risk assessment and risk management;
- oversee compliance with our code of business conduct and ethics;
- review related party transactions; and
- approve or, as required, pre-approve, all audit and all permissible non-audit services to be performed by the independent registered public accounting firm.

Our audit committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable rules and regulations of the SEC and the listing standards of the New York Stock Exchange.

Compensation Committee

Following the completion of this offering, our compensation committee will consist of Messrs. Chen, Collard, and Ferguson, with Mr. Chen serving as Chair. Each of Messrs. Chen and Ferguson will meet the requirements for independence under the listing standards of the New York Stock Exchange. We intend to rely on the phase-in provisions of the listing standards of the New York Stock Exchange. Messrs. Chen and Ferguson are also non-employee directors, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, or Rule 16b-3. Following the completion of this offering, our compensation committee will, among other things:

- review, approve and determine, or make recommendations to our board of directors regarding, the compensation of our executive officers, including our principal executive officer;
- administer our equity compensation plans;
- review, approve, and administer incentive compensation plans;
- establish and review general policies and plans relating to compensation and benefits of our employees and be responsible for our overall compensation philosophy;
- evaluate and make recommendations regarding non-employee director compensation to our full board of directors;
- assist in the evaluation of the performance of our executive officers, including our principal executive officer; and
- periodically review and discuss with our board of directors the corporate succession plans for executive officers.

Our compensation committee may delegate its authority and duties as it deems appropriate in accordance with applicable laws and regulations. Accordingly, our compensation committee may delegate non-exclusive authority to grant equity and other awards under our compensation plans that comply with Section 16 of the Exchange Act to a subcommittee comprised entirely of members of the compensation committee that meet the requirements of a “non-employee director” or such awards will be approved by the full board of directors.

Our compensation committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable rules and regulations of the SEC and the listing standards of the New York Stock Exchange.

Nominating and Corporate Governance Committee

Following the completion of this offering, our nominating and corporate governance committee will consist of Messrs. Chen and Collard, with Mr. Collard serving as Chair. Mr. Chen will meet the requirements for independence under the listing standards of the New York Stock Exchange. We intend to rely on the phase-in provisions of the listing standards of the New York Stock Exchange. Following the completion of this offering, our nominating and corporate governance committee will, among other things:

- identify, evaluate and select, or make recommendations to our board of directors regarding, nominees for election to our board of directors;
- consider and make recommendations to our board of directors regarding the composition of our board of directors and its committees;
- evaluate the performance of our board of directors and of individual directors;
- oversee and review developments in corporate governance practices;
- evaluate the adequacy of our corporate governance practices and reporting; and
- develop and make recommendations to our board of directors regarding corporate governance guidelines and matters.

Our nominating and corporate governance committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable listing standards of the New York Stock Exchange.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee (or other board committee performing equivalent functions) of any entity that has one or more of its executive officers serving on our board of directors or compensation committee. See the section titled "*Certain Relationships and Related Party Transactions*" for information about related party transactions involving members of our compensation committee or their affiliates.

Non-Employee Director Compensation

The compensation received by Nima Ghamsari and Timothy J. Mayopoulos as employees is set forth in the section titled "*Executive Compensation—Summary Compensation Table*."

Except as noted below with respect to certain option awards, in 2020, none of our non-employee directors received compensation for their service as directors.

The following table lists all outstanding equity awards held by our non-employee directors as of December 31, 2020:

	Option Awards			
Name	Grant Date	Number of Shares Underlying Unexercised Option Awards(1)	Option Exercise Price	Option Expiration Date
Gerald Chen	—	—	—	—
Erin James Collard	10/26/2015	2,400,000(2)	$ 0.15	10/25/2025
	4/18/2016	200,000(2)	$ 0.18	4/17/2026
	2/8/2017	160,000(2)	$ 0.18	2/7/2027
	2/21/2018	300,000(2)	$ 0.29	2/20/2028
Roger Ferguson, Jr.(3)	—	—	—	—
Joseph Lonsdale(4)	—	—	—	—
Eugene Marinelli(5)	12/21/2020	75,000(6)	$ 1.22	12/20/2030
Ann Mather	7/30/2019	2,997,802(7)	$ 0.77	7/29/2029

(1) Each of the outstanding equity awards listed in the table above was granted pursuant to our 2012 Plan.
(2) The shares subject to this option are fully vested and immediately exercisable.
(3) Mr. Ferguson joined our board of directors in March 2021.
(4) Mr. Lonsdale resigned from our board of directors in March 2021.
(5) Mr. Marinelli resigned from our board of directors in September 2020, and has continued to serve as an adviser to our board of directors.
(6) 1/4th of the shares subject to this option vested on the grant date, and 1/24th of the shares subject to this option vest monthly thereafter, subject to Mr. Marinelli's continued role as a service provider to us. This option is subject to an early exercise provision and is immediately exercisable.
(7) 1/60th of the shares subject to this option vest monthly beginning on July 26, 2019, subject to Ms. Mather's continued role as a service provider to us. This option is subject to an early exercise provision and is immediately exercisable.

We entered into an offer letter with Mr. Collard in March 2021, in connection with his continued service on our board of directors. The offer letter provides that Mr. Collard will be reimbursed for reasonable expenses incurred in connection with his attendance at meetings of the board of directors or any of its committees. In addition, the offer letter provides for the grant of 279,720 stock options, vesting in 24 monthly installments over the next two years of service, which we granted to Mr. Collard in March 2021.

We entered into an offer letter with Mr. Ferguson in March 2021, in connection with his appointment to our board of directors in March 2021. The offer letter provides that Mr. Ferguson will be reimbursed for reasonable expenses incurred in connection with his attendance at meetings of the board of directors or any of its committees. In addition, the offer letter provides for annual cash compensation of $100,000, which will be paid quarterly in arrears for the first year of Mr. Ferguson's service, as well as the grant of 104,895 stock options, vesting in 12 monthly installments over the next year of service, which we granted to Mr. Ferguson in March 2021. Pursuant to the terms of his offer letter, Mr. Ferguson will receive compensation worth at least $400,000, payable in cash, equity awards, or both, at our board of directors' discretion, as compensation for his second year of service.

Outside Director Compensation Policy

In June 2021, our board of directors adopted, and we intend to ask our stockholders to approve, a new compensation policy for our non-employee directors, or the compensation policy. The compensation policy will be effective as of the date of the effectiveness of the registration statement of which this prospectus forms a part. It is designed to attract, retain and reward non-employee directors.

Under this compensation policy, each non-employee director will be eligible to receive the compensation for board services described below. We also will reimburse our non-employee directors for reasonable, customary and documented travel expenses to board of directors meetings.

The compensation policy provides that a maximum annual limit of $800,000 of cash and equity compensation that may be paid, issued, or granted to a non-employee director in any fiscal year. For purposes of this limitation, the value of equity awards will be based on the grant date value calculated in accordance with the Black-Scholes-Merton Option pricing model. Any cash compensation paid, or equity awards granted to a person for their services as an employee, or for their services as a consultant (other than as a non-employee director) will not count for purposes of the limitation. The maximum limit does not reflect the intended size of any potential compensation or equity awards to our non-employee directors.

Annual Retainer

Starting on January 1, 2022, each non-employee director who has not entered into a letter agreement with us that governs his or her compensation as a non-employee director will be eligible to receive an annual retainer of $400,000, or the Annual Retainer, for services performed during the then-current calendar year. There are no per-meeting attendance fees for attending board meetings. Any portion of the Annual Retainer that the non-employee director does not elect to forego in favor of receiving Retainer Options (as defined below) will be paid in cash in approximately equal monthly installments during the then-current calendar year, subject to the individual continuing to remain a non-employee director on the applicable payment date. If an individual first becomes a non-employee director after January 1 of any calendar year, such non-employee director will receive a pro-rated portion of the Annual Retainer based on the number of calendar months remaining in the calendar year in which the individual first becomes a non-employee director (with the month the individual first becomes a non-employee director counted as a remaining calendar month).

Retainer Options

Each non-employee director may elect, in accordance with the terms of the compensation policy, to convert all or a portion of his or her Annual Retainer into a number of options to purchase shares of our Class A common stock, or Retainer Options. The number of shares of Class A common stock subject to each Retainer Option will be equal to the quotient of (i) 1/12th of the dollar value of the Annual Retainer that the non-employee director elected to forego over the annual period, divided by the value (based on the Retainer Option's grant date value calculated in accordance with the Black-Scholes-Merton Option pricing model) on the Retainer Option's grant date. If a non-employee director first becomes a member of the board of directors after January 31 of a calendar year, the number of shares subject to each Retainer Option will be calculated based on the number of Retainer Option grant dates remaining in the applicable calendar year.

Each Retainer Option will be granted on the last calendar day of each month of the applicable calendar year (or the most recent trading day prior to the last calendar day of the month if such date is not a trading day), subject to the non-employee director remaining a member of our board of directors on the applicable grant date. Each Retainer Option will have a ten-year term (subject to earlier termination as provided in the 2021 Plan), will be fully vested as of the grant date and will have an exercise price equal to 100% of our Class A common stock on the grant date.

Each non-employee director who, as of the effective date of the compensation policy, has entered into a letter agreement with us that governs his or her compensation as a non-employee director, will not be eligible to receive compensation under the terms of the compensation policy until the equity award or other compensation pursuant to such letter agreement has fully vested or been earned. For the year in which the non-employee director has earned or otherwise vested in the totality of the compensation set forth in his or her letter agreement with us, then for such calendar year the non-employee director will be entitled to receive a pro-rated amount of the Annual Retainer for such calendar year.

EXECUTIVE COMPENSATION

Our named executive officers, consisting of our principal executive officer and the next two most highly compensated executive officers, as of December 31, 2020, were:

- Nima Ghamsari, Head of Blend, Co-Founder, and a member of our board of directors;
- Timothy J. Mayopoulos, our President and a member of our board of directors; and
- Crystal Sumner, our Head of Legal, Compliance, and Risk and Corporate Secretary.

Summary Compensation Table

The amounts below represent the compensation awarded to or earned by or paid to our named executive officers in 2020:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Nima Ghamsari	2020	325,000	—	—	—	—	325,000
Head of Blend, Co-Founder, and Director							
Timothy J. Mayopoulos	2020	500,000	—	—	680,000(2)	144,157(3)	1,324,157
President and Director							
Crystal Sumner	2020	350,000	25,000(4)	292,400	—	—	667,400
Head of Legal, Compliance, and Risk and Corporate Secretary							

(1) The amount reported represents the aggregate grant-date fair value of the options awarded to the named executive officers in 2020, calculated in accordance with ASU No. 2016 09 "*Compensation—Stock Compensation (Topic 718)*," or ASC 718. These amounts do not reflect the actual economic value that may be realized by the named executive officer. The assumptions used in determining the grant date fair value of the options reported in these columns are set forth in Note 12 to our consolidated financial statements included elsewhere in this prospectus.

(2) This amount represents the aggregate grant-date value of 340,000 stock options granted to Mr. Mayopoulos in lieu of payment in cash of a bonus of $680,000, pursuant to an election Mr. Mayopoulos made in March 2020.

(3) This amount includes (i) reimbursement for certain travel and housing expenses in the amount of $98,127 and (ii) reimbursement of taxes related to travel benefits in the amount of $46,030.

(4) The amount reported consists of a discretionary bonus paid in 2021, in recognition of our company performance and Ms. Sumner's contributions to that performance in 2020.

Non-Equity Incentive Plan Awards

Mr. Mayopoulos participated in our 2020 Executive Bonus Plan, or our 2020 Bonus Plan. Under the 2020 Bonus Plan, participants were entitled to be considered for a bonus, but the decision as to whether to pay the bonus, and the amount of any bonus, are entirely at our absolute discretion. Bonuses were paid annually and may exceed 100% if we surpass the designated performance goal.

The bonus payment to Mr. Mayopoulos was calculated formulaically based solely on the achievement of the annual recurring revenue performance goal described in the 2020 Bonus Plan. The actual bonus amount paid to Mr. Mayopoulos under the 2020 Bonus Plan is set forth in the Summary Compensation Table under the column titled "Non-Equity Incentive Plan Compensation."

Bonus

Ms. Sumner received a discretionary bonus of $25,000 paid in 2021, in recognition of our company performance in 2020 and Ms. Sumner's contributions to that performance.

Outstanding Equity Awards at 2020 Year-End

The following table sets forth information regarding outstanding equity awards held by our named executive officers as of December 31, 2020:

	Option Awards				
Name	Grant Date[1]	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)[2]	Option Expiration Date
Nima Ghamsari	4/18/2016	600,000[3]	—	0.18	4/17/2026
	2/21/2018	600,000[3]	—	0.29	2/20/2028
	12/4/2019	14,389,412[4]	—	0.77	12/3/2029
Timothy J. Mayopoulos	1/25/2019	9,000,000[5]	—	0.43	1/24/2029
	2/27/2020	400,000[6]	—	0.77	2/26/2030
Crystal Sumner	8/22/2016	672,445[7]	—	0.18	8/21/2026
	8/22/2016	555,555[3]	—	0.18	8/21/2026
	2/8/2017	42,910[3]	—	0.18	2/7/2027
	12/17/2018	480,000[3]	—	0.29	12/16/2028
	3/29/2020	1,000,000[8]	—	0.77	3/28/2030

(1) Each of the outstanding equity awards listed in the table above was granted pursuant to our 2012 Plan.
(2) This column represents the fair value of a share of our Class A common stock on the grant date, as determined by our board of directors.
(3) The shares subject to this option are fully vested and immediately exercisable.
(4) 1/84th of the shares subject to this option vest monthly following January 1, 2020, subject to Mr. Ghamsari's continued role as a service provider to us. If Mr. Ghamsari is subject to an involuntary termination any time after a change in control, then 100% of the then unvested shares shall immediately vest. This option is subject to an early exercise provision and is immediately exercisable.
(5) 1/4th of the shares subject to this option vested on January 18, 2020, and 1/48th of the shares subject to this option vest monthly thereafter, subject to Mr. Mayopoulos's continued role as a service provider to us. If Mr. Mayopoulos is subject to an involuntary termination any time after a change in control, then 50% of the then unvested shares shall immediately vest. This option is subject to an early exercise provision and is immediately exercisable.
(6) 1/12th of the shares subject to this option vest monthly following June 1, 2020, subject to Mr. Mayopoulos's continued role as a service provider to us. This option is subject to an early exercise provision and is immediately exercisable.
(7) 117,511 of the shares subject to this option vested on October 20, 2018, and 1/48th of the shares subject to this option vest monthly thereafter, subject to Ms. Sumner's continued role as a service provider to us. 50% of the unvested shares subject to the option will vest if Ms. Sumner is subject to an involuntary termination following a change in control of the company. This option is subject to an early exercise provision and is immediately exercisable.
(8) 1/48th of the shares subject to this option vest monthly beginning on February 1, 2020, subject to Ms. Sumner's continued role as a service provider to us. This option is subject to an early exercise provision and is immediately exercisable.

Founder and Head of Blend Long-Term Performance Award

In March 2021, our board of directors granted a stand-alone nonstatutory stock option to Mr. Ghamsari, covering a maximum of 78,171,543 shares of our Class A common stock, which we

refer to as the Founder and Head of Blend Long-Term Performance Award. The Founder and Head of Blend Long-Term Performance Award has an exercise price of $2.86 per share, which was the fair market value of our Class A common stock at the time of grant as determined by our board of directors. The Founder and Head of Blend Long-Term Performance Award has a 15-year term, subject to earlier termination when the shares subject to the award are no longer eligible to vest, and vests upon the satisfaction of a service condition, a liquidity-event related performance condition, and/or a performance-based market condition, as described below.

Our board of directors, in consultation with an independent compensation consultant, considered many factors in determining whether to grant the Founder and Head of Blend Long-Term Performance Award and the size and terms of the award. The board of directors considered Mr. Ghamsari's significant ownership percentage in the company obtained primarily in connection with his co-founding of Blend and the amount of his ownership interests that were unvested as of the date of the grant in its deliberations of this award. The board of directors reviewed market data for similarly situated executives at comparable companies with an emphasis on the ownership percentage and equity value of founder chief executive officers at the time of an initial public offering. The board of directors was intent on establishing an award that would encourage long-term sustained stockholder valuation by including a long vesting schedule with post-vesting holding requirements. The Founder and Head of Blend Long-Term Performance Award is meant to support our transition to a public company while providing a meaningful incentive to Mr. Ghamsari with sustained long-term value creation for our stockholders, and minimize dilution if returns are lower than contemplated.

The Founder and Head of Blend Long-Term Performance Award has a performance period that commences upon the expiration of the lock-up period associated with an underwritten public offering of our common stock (or certain other events detailed in the option agreement) and expires on the earlier of the 10-year anniversary of the date of grant, a change in control of the company, or Mr. Ghamsari ceasing to satisfy the service condition discussed below. Shares subject to the award that are not vested at the end of the performance period will terminate and be forfeited for no consideration.

The Founder and Head of Blend Long-Term Performance Award is divided into five tranches. If an initial public offering (or other listing) of our common stock is not completed within 15 months of the award's date of grant, the Founder and Head of Blend Long-Term Performance Award will terminate in full. If an initial public offering (or certain other listings) of our common stock is completed within 15 months of the date of grant, then the shares in tranche one will vest upon the initial public offering and the shares in tranches two through five will have a "Company Stock Price Hurdle" associated with the vesting of such tranche. The applicable performance goal must be achieved by the "Tranche Expiration Date" set forth below for any shares subject to a particular tranche to vest. Except as set forth below, on the first trading day on which the applicable performance goal is achieved, a number of shares subject to the award will vest and become exercisable equal to the "Number of Shares" corresponding to the applicable performance goal for the applicable tranche in the table below, subject to Mr. Ghamsari satisfying the service condition through the vesting date:

Tranche	Number of Shares	Performance Goal	Company Stock Price Hurdle	Tranche Expiration Date
1	5,862,866	IPO	N/A	15-month anniversary of Date of Grant
2	17,588,597	Company Stock Price Hurdle	$13.97	Four-year anniversary of Date of Grant
3	13,680,020	Company Stock Price Hurdle	$27.94	Six-year anniversary of Date of Grant
4	17,588,597	Company Stock Price Hurdle	$69.85	Eight-year anniversary of Date of Grant
5	23,451,463	Company Stock Price Hurdle	$139.70	10-year anniversary of Date of Grant

The Company Stock Price Hurdle will be achieved if the average closing price of a share of our Class A common stock during any 90 consecutive calendar day period during the performance period and the average closing price of our Class A common stock during the last 30 consecutive calendar day period during such 90-day average equals or exceeds the value set forth in the table above. There is no linear interpolation between hurdles. The Company Stock Price Hurdles and the number of associated shares that will vest will be adjusted to reflect any stock splits, stock dividends, combinations, reorganizations, reclassifications, or similar events. Additionally, if the core Consumer Price Index increases by over 5% annually for a consecutive three-year period during the performance period, the Company Stock Price Hurdles that have not been achieved at such time will be increased by 20%. Such increase may occur only once during the performance period.

Vested shares (including shares acquired pursuant to the exercise of the option not used to pay the associated exercise price and tax withholding in connection with the exercise of the option) generally must be held for two years from the vesting date, or if earlier, until there is a change in control of the company or a termination of service due to death or disability.

In order to vest in an applicable tranche of shares, Mr. Ghamsari must satisfy the service condition through the date a performance goal is achieved. The service condition is met if he remains our chief executive officer, or, following the fifth anniversary of the date of grant (the date any of the following occur, a "Vesting Eligibility Window Start Date"), moving to a different service role as determined by the company, an agreed upon termination between Mr. Ghamsari and our board of directors, or a qualifying termination of Mr. Ghamsari's employment with us, which means an involuntary termination without cause or good reason (as such terms are defined in the option agreement). If, after the fifth anniversary of the date of grant, there is a Vesting Eligibility Window Start Date, then Mr. Ghamsari would remain eligible to earn a portion of the shares subject to unvested tranches through the expiration of the performance period as follows:

	Percentage of Unvested Shares Subject to each Unvested Tranche that will Remain Eligible to Vest	
Vesting Eligibility Window Start Date	**Change in Role**	**Agreed Departure or Qualifying Termination**
On or after the fifth anniversary of the date of grant, but prior to the sixth anniversary of the date of grant	30%	10%
On or after the sixth anniversary of the date of grant, but prior to the seventh anniversary of the date of grant	35%	15%
On or after the seventh anniversary of the date of grant, but prior to the eighth anniversary of the date of grant	40%	20%
On or after the eighth anniversary of the date of grant, but prior to the ninth anniversary of the date of grant	45%	25%
On or after the ninth anniversary of the date of grant, but prior to the tenth anniversary of the date of grant	50%	25%

In the event of a change in control of the company (as defined in the option agreement), the per share deal price will be used to determine whether any then-unachieved Company Stock Price Hurdles are achieved (with no linear interpolation between stock price hurdles). Additionally, if the per share deal price equals or exceeds $13.97, then 25% of the remaining unvested shares subject to the award will vest (after first determining if any additional Company Stock Price Hurdles are achieved) as of immediately prior to the closing of the change in control, with any remaining unvested shares terminating.

We estimated the grant date fair value of the first tranche of the Founder and Head of Blend Long-Term Performance Award using the Black-Scholes-Merton Option pricing model, which resulted in the estimated fair value of $3.93 per share. We estimated the grant date fair value of the remaining tranches using a model based on multiple stock price paths developed through the use of a Monte Carlo simulation that incorporates into the valuation the possibility that the Company Stock Price Hurdles may not be satisfied. The weighted average grant date fair value of the remaining tranches was estimated to be $1.32 per share. We estimate that we will recognize total stock-based compensation expense of approximately $87.6 million.

Executive Employment Agreements

Prior to the completion of this offering, we intend to enter into an employment letter setting forth the terms and conditions of employment for each of our named executive officers as described below.

Nima Ghamsari

Prior to the completion of this offering, we intend to enter into a confirmatory employment letter agreement with Mr. Ghamsari. The letter agreement is not expected to have a specific term and will provide that Mr. Ghamsari is an at-will employee. Mr. Ghamsari's current annual base salary is $325,000.

Timothy J. Mayopoulos

Prior to the completion of this offering, we intend to enter into a confirmatory employment letter agreement with Mr. Mayopoulos. The letter agreement is not expected to have a specific term and will provide that Mr. Mayopoulos is an at-will employee. Mr. Mayopoulos's current annual base salary is $500,000.

Crystal Sumner

Prior to the completion of this offering, we intend to enter into a confirmatory employment letter agreement with Ms. Sumner. The letter agreement is not expected to have a specific term and will provide that Ms. Sumner is an at-will employee. Ms. Sumner's current annual base salary is $350,000.

Future Compensation Programs

We are always considering ways to structure compensation to attract and retain talented employees and incentivize them to grow the value of the company for our stockholders. One program we have been considering is to allow employees the opportunity to annually elect the proportion of their compensation that would be provided in the form of cash or equity. The equity awards could be in the form of options to purchase shares of our Class A common stock or other form of equity awards that we think would be appropriate. The details of any such program, and whether we would even implement any such program, have not been determined at this time. If we do decide to adopt a program like this in the future, it could result in us paying a greater percentage of our employees' compensation in the form of cash or equity, depending on how our employees elect to receive their compensation. This could result in us using a larger amount of our cash reserves for the payment of compensation or could result in us granting a greater number of our shares subject to equity awards, which could increase our overall dilution, increase our stock-based compensation expense for financial accounting purposes, and increase our tax withholding and remittance obligations. How we determine any such tax withholding obligations would be satisfied could further impact our cash position or increase dilution.

Potential Payments upon Termination or Change in Control

We intend to enter into a change in control severance agreement with our named executive officers that provides for certain severance and change in control benefits only in the circumstances as described below. Each change in control severance agreement will supersede any prior agreement or arrangement the named executive officer may have had with us prior to its effective date that provides for severance and/or change in control payments or benefits.

Each change in control severance agreement will terminate on the date that all of the obligations of the parties to the change in control severance agreement have been satisfied.

If, during the period beginning three months before a change in control (as defined in such agreement) and ending 12 months following a change in control, the named executive officer's employment is terminated either (i) by us (or any of our subsidiaries) without cause (as defined in such agreement) (and other than by reason of death or disability) or (ii) by the named executive officer for good reason (as defined in such agreement), the named executive officer will be entitled to receive the following benefits if the named executive officer timely signs and does not revoke our then-standard separation agreement and release of claims in our favor:

- 50% accelerated vesting and exercisability (as applicable) of all equity awards outstanding as of the date of such termination and, in the case of an equity award with performance-based vesting unless otherwise specified in the applicable equity award agreement governing such award, all performance goals and other vesting criteria will be deemed achieved at 50% of target levels.

If any of the benefits provided for under these change in control severance agreements or otherwise payable to our named executive officers would constitute "parachute payments" within the meaning of Section 280G of the Code and could be subject to the related excise tax, the named executive officer would be entitled to receive either full payment of benefits under his or her change in control severance agreement or such lesser amount which would result in no portion of the benefits being subject to the excise tax, whichever results in the greater amount of after-tax benefits to the named executive officer. The change in control severance agreements do not require us to provide any tax gross-up payments..

Employee Benefit and Stock Plans

2021 Equity Incentive Plan

In connection with this offering, we expect that our board of directors will adopt, and our stockholders will approve, our 2021 Equity Incentive Plan. We expect that our 2021 Plan will become effective on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a part. Our 2021 Plan will provide for the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees and any parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units, or RSUs, and performance awards to our employees, directors, and consultants and our parent and subsidiary corporations' employees and consultants. Our 2012 Plan will terminate immediately prior to the effectiveness of the 2021 Plan with respect to the grant of future awards.

Authorized Shares. Subject to the adjustment provisions of and the automatic increase described in our 2021 Plan, a total of shares of our Class A common stock will be reserved for issuance pursuant to our 2021 Plan. In addition, subject to the adjustment provisions of our 2021 Plan, the shares reserved for issuance under our 2021 Plan also will include (i) any shares that, as of the day immediately prior to the effective date of the registration statement of which this prospectus forms a part, have been reserved but not issued pursuant to any awards granted under the 2012 Plan, and are not subject to any awards thereunder, plus (ii) any shares subject to stock options, RSUs, or similar awards granted under our 2012 Plan that, on or after the effective date of the registration statement of which this prospectus forms a part, expire or otherwise terminate without having been exercised or

issued in full, are tendered to or withheld by us for payment of an exercise price or for tax withholding obligations, or are forfeited to or repurchased by us due to failure to vest (provided that the maximum number of shares that may be added to our 2021 Plan pursuant to the foregoing is shares). Subject to the adjustment provisions of our 2021 Plan, the number of shares available for issuance under our 2021 Plan will also include an annual increase on the first day of each fiscal year beginning with the 2022 fiscal year and ending on the ten year anniversary of the date our board of directors approved the 2021 Plan, in an amount equal to the least of:

- shares of our Class A common stock;
- 5% of the total number of shares of all classes of our Class A common stock outstanding on the last day our immediately preceding fiscal year; or
- a lesser number of shares determined by the administrator.

If a stock option or stock appreciation right granted under the 2021 Plan expires or becomes unexercisable without having been exercised in full or is surrendered pursuant to an exchange program or, with respect to restricted stock, RSUs, or stock-settled performance awards, is forfeited to, or reacquired by, us due to failure to vest, then the unpurchased shares (or for awards other than stock options or stock appreciation rights, the forfeited or reacquired shares) which were subject thereto will become available for future issuance under the 2021 Plan (unless the 2021 Plan has terminated). With respect to stock appreciation rights, only the net shares actually issued will cease to be available under the 2021 Plan and all remaining shares under stock appreciation rights will remain available for future issuance under the 2021 Plan (unless the 2021 Plan has terminated). Shares that have actually been issued under the 2021 Plan under any award will not be returned to the 2021 Plan; provided, however, that if shares issued pursuant to awards of restricted stock, RSUs or performance awards are repurchased or forfeited to us due to failure to vest, such shares will become available for future grant under the 2021 Plan. Shares used to pay the exercise price of an award or to satisfy the tax withholding obligations related to an award will become available for future issuance under the 2021 Plan. To the extent an award is paid out in cash rather than shares, the cash payment will not result in a reduction in the number of shares available for issuance under the 2021 Plan.

Plan Administration. Our compensation committee is expected to administer our 2021 Plan and may further delegate authority to one or more subcommittees of our board of directors, committees, or our officers to the extent such delegation complies with applicable laws. Subject to the provisions of our 2021 Plan, the administrator will have the power to administer our 2021 Plan and make any determinations and perform any actions deemed necessary or advisable for administering our 2021 Plan, including but not limited to: the power to determine the fair market value of our Class A common stock; select the service providers to whom awards may be granted and grant awards to such service providers; determine the number of shares covered by each award; approve forms of award agreements for use under our 2021 Plan; determine the terms and conditions of awards (including, but not limited to, the exercise price, the time or times when the awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver or forfeiture restrictions, and any restriction or limitation regarding any award or the shares relating thereto); construe and interpret the terms of our 2021 Plan and awards granted under it, including but not limited to determining whether and when a change in control has occurred; establish, amend, and rescind rules and regulations relating to our 2021 Plan, and adopt sub-plans relating to the 2021 Plan; interpret, modify, or amend each award, including but not limited to the discretionary authority to extend the post-termination exercisability period of awards; allow participants to satisfy tax withholding obligations in any manner permitted by the 2021 Plan; delegate ministerial duties to any of our employees; authorize any person to take any steps and execute, on our behalf, any documents required for an award previously granted by the administrator to be effective; temporarily suspend the exercisability of an award if the administrator deems such suspension to be necessary or appropriate for administrative purposes,

provided that, unless prohibited by applicable laws, such suspension shall be lifted in all cases not less than ten trading days before the last date that the award may be exercised; allow a participant to defer the receipt of payment of cash or the delivery of shares that would otherwise be due to such participant under an award; and make any determinations necessary or appropriate under the adjustment provisions of the 2021 Plan. The administrator also has the authority to institute and determine the terms and conditions of an exchange program under which (i) outstanding awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash; (ii) participants would have the opportunity to transfer any outstanding awards to a financial institution or other person or entity selected by the administrator; and/or (iii) the exercise price of an outstanding award is increased or reduced. The administrator's decisions, determinations, and interpretations will be final and binding on all participants and any other holders of awards.

Stock Options. Our 2021 Plan permits the grant of options. The exercise price of options granted under our 2021 Plan must be at least equal to the fair market value of our Class A common stock on the date of grant, except that options may be granted with a lower exercise price to a service provider that is not a U.S. taxpayer, or pursuant to certain transactions. The term of an option is determined by the administrator, provided that the term of an incentive stock option may not exceed ten years. With respect to any employee who owns more than 10% of the voting power of all classes of our outstanding stock or the stock of any parent or subsidiary, the term of an incentive stock option granted to such participant must not exceed five years and the exercise price must equal at least 110% of the fair market value of our common stock on the grant date. The administrator determines the methods of payment of the exercise price of an option, which may include cash, check or wire transfer, cashless exercise, net exercise, promissory note, shares, or other consideration or method of payment acceptable to the administrator, to the extent permitted by applicable law. After the termination of service of an employee, director, or consultant, he or she may exercise his or her option for the period of time stated in his or her option agreement. In the absence of a specified time in an award agreement, if termination is due to death or disability, the option will remain exercisable for six months (or expiration of its term, if earlier). In all other cases, in the absence of a specified time in an award, the option will remain exercisable for thirty days (or expiration of its term, if earlier). These exercise periods may be tolled in certain circumstances, for example if exercise prior to the end of the applicable period is not permitted because of applicable laws. For the avoidance of doubt, in no event may an option be exercised later than the expiration of its term.

Stock Appreciation Rights. Our 2021 Plan permits the grant of stock appreciation rights. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our Class A common stock between the exercise date and the date of grant. The term of stock appreciation rights is determined by the administrator. After the termination of service of an employee, director, or consultant, he or she may exercise his or her stock appreciation right for the period of time stated in his or her stock appreciation rights agreement. In the absence of a specified time in an award agreement, if termination is due to death or disability, the stock appreciation rights will remain exercisable for six months (or expiration of its term, if earlier). In all other cases, in the absence of a specified time in an award agreement, the stock appreciation rights will remain exercisable for thirty days following the termination of service (or expiration of its term, if earlier). These exercise periods may be tolled in certain circumstances, for example if exercise prior to the end of the applicable period is not permitted because of applicable laws. For the avoidance of doubt, in no event may a stock appreciation right be exercised later than the expiration of its term. Subject to our 2021 Plan, the administrator determines the other terms of stock appreciation rights, including when such rights become exercisable and whether to pay any increased appreciation in cash or with shares of our Class A common stock, or a combination thereof. The per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right to a U.S. taxpayer must be no less than 100% of the fair market value of our Class A common stock per share on the date of grant.

Restricted Stock. Our 2021 Plan permits the grant of restricted stock. Restricted stock awards are grants of shares of our Class A common stock that vest in accordance with terms and conditions established by the administrator. The administrator determines the number of shares of restricted stock granted to any employee, director, or consultant and, subject to our 2021 Plan, determines the terms and conditions of such awards. The administrator has the authority to impose whatever conditions to the vesting of restricted stock it determines to be appropriate (for example, the administrator may set restrictions based on the achievement of specific performance goals or continued service to us); provided, however, that the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. Restricted stock may also be granted without any restrictions (e.g., vested stock bonuses). Recipients of restricted stock awards generally have voting rights with respect to such shares upon grant without regard to vesting, unless the administrator provides otherwise, but recipients of restricted stock will not be entitled to receive dividends and other distributions with respect to shares while such shares are unvested, unless the administrator provides otherwise. Shares of restricted stock that do not vest will be subject to our right of repurchase or forfeiture.

Restricted Stock Units. Our 2021 Plan permits the grant of RSUs. RSUs will represent an amount equal to the fair market value of one share of our Class A common stock. Subject to the provisions of our 2021 Plan, the administrator determines the terms and conditions of RSUs, including the vesting criteria and the form and timing of payment. The administrator has the authority to set vesting criteria based upon the achievement of company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the administrator in its discretion. The administrator, in its sole discretion, may settle earned RSUs in the form of cash, in shares, or in some combination of both. Notwithstanding the foregoing, the administrator, in its sole discretion, may reduce or waive any criteria that must be met to earn the RSUs.

Performance Awards. Our 2021 Plan permits the grant of performance awards. Performance awards are awards that will result in a payment to a participant if performance goals established by the administrator are achieved or the awards otherwise vest. The administrator will set objectives or vesting provisions, that, depending on the extent to which they are met, will determine the value of the payout for the performance awards. The administrator may set vesting criteria based on the achievement of company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the administrator in its discretion. Each performance award's threshold, target, and maximum payout values are established by the administrator on or before the grant date. After the grant of a performance award, the administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such performance award. The administrator, in its sole discretion, may pay earned performance awards in the form of cash, in shares, or in some combination thereof.

Non-Employee Directors. Our 2021 Plan provides that all of our non-employee directors will be eligible to receive all types of awards (except for incentive stock options) under our 2021 Plan. In order to provide a maximum limit on the awards that can be made to our non-employee directors, our 2021 Plan provides that in any given fiscal year, a non-employee director will not be paid, issued, or granted cash retainer fees and equity awards (including, but not limited to, awards granted under the 2021 Plan) with an aggregate value greater than $800,000, (excluding awards granted to him or her as a consultant or employee). The value of each equity award will be based on its grant date fair value determined according to GAAP. The maximum limits do not reflect the intended size of any potential grants or a commitment to make grants to our non-employee directors under our 2021 Plan in the future.

Non-Transferability of Awards. Unless the administrator provides otherwise or as otherwise required by applicable laws, our 2021 Plan generally does not allow for the transfer of awards and only the

recipient of an award may exercise an award during his or her lifetime. If the administrator makes an award transferable, such award will contain such additional terms and conditions as the administrator deems appropriate.

Certain Adjustments. If any extraordinary dividend or other extraordinary distribution (whether in cash, shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, reclassification, repurchase, or exchange of shares of our Class A common stock or other of our securities, other change in our corporate structure affecting the shares, or any similar equity restructuring transaction affecting our shares occurs (including a change in control), the administrator, to prevent diminution or enlargement of the benefits or potential benefits intended to be provided under the 2021 Plan, will adjust the number and class of shares that may be delivered under the 2021 Plan and/or the number, class, and price of shares covered by each outstanding award, and the numerical share limits set forth in our 2021 Plan. The conversion of any of our convertible securities and ordinary course repurchases of our shares or other securities will not be treated as an event that will require adjustment under the 2021 Plan.

Dissolution or Liquidation. In the event of our proposed dissolution or liquidation, the administrator will notify each participant, at such time prior to the effective date of such proposed transaction as the administrator determines. To the extent it has not been previously exercised, awards will terminate immediately prior to the consummation of such proposed transaction.

Merger or Change in Control. Our 2021 Plan provides that in the event of a merger or change in control, as defined under our 2021 Plan, each outstanding award will be treated as the administrator determines, without a requirement to obtain a participant's consent, including, without limitation, that such award will be continued by the successor corporation or a parent or subsidiary of the successor corporation or that the vesting of any such awards may accelerate automatically upon consummation of such transaction. An award generally will be considered continued if, following the transaction, (i) the award gives the right to purchase or receive the consideration received in the transaction by holders of our shares or (ii) the award is terminated in exchange for an amount of cash and/or property, if any, equal to the amount that would have been received upon the exercise or realization of the award at the closing of the transaction, which payment may be subject to any escrow applicable to holders of our Class A common stock in connection with the transaction or subjected to the award's original vesting schedule. The administrator will not be required to treat all awards or portions thereof or the vested and unvested portions of an award, or all participants similarly.

In the event that a successor corporation or its parent or subsidiary does not continue an outstanding award (or some portion of such award), then such award will fully vest, all restrictions on such award will lapse, all performance goals or other vesting criteria applicable to such award will be deemed achieved at 100% of target levels, and such award will become fully exercisable, if applicable, for a specified period prior to the transaction, unless specifically provided for otherwise under the applicable award agreement or other written agreement with the participant. The award will then terminate upon the expiration of the specified period of time. Unless specifically provided for otherwise under the applicable award agreement or other written agreement with the participant, if an option or stock appreciation right is not continued, the administrator will notify the participant in writing or electronically that such option or stock appreciation right will be exercisable for a period of time determined by the administrator in its sole discretion and the option or stock appreciation right will terminate upon the expiration of such period.

With respect to awards granted to a non-employee director, in the event of a change in control, all of his or her options and stock appreciation rights, if any, will vest fully and become immediately exercisable, all restrictions on his or her restricted stock and RSUs will lapse, and all performance goals or other vesting requirements for his or her performance awards will be deemed achieved at

100% of target levels, and all other terms and conditions met unless specifically provided otherwise under the applicable award agreement, a Company policy related to director compensation, or other written agreement with the participant, that specifically references this default rule.

Clawback. Awards granted under the 2021 Plan will be subject to recoupment under any clawback policy that we are required to adopt pursuant to the listing standards of any national securities exchange or association on which our stock is listed or as otherwise required by applicable laws, and the administrator will also be able to specify in an award agreement that the participant's rights, payments, and benefits with respect to an award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of certain specified events.

Amendment and Termination. The administrator will have the authority to amend, alter, suspend, or terminate our 2021 Plan, provided we will obtain stockholder approval of any amendment to the extent necessary or desirable to comply with applicable laws. However, no amendment, alteration, suspension or termination of our 2021 Plan or an award under it may, materially impair the existing rights of any participant without the participant's consent. Our 2021 Plan will continue in effect until it is terminated, provided that incentive stock options may not be granted after the ten year anniversary of the date our board of directors approved the 2021 Plan, and the automatic annual share increase will end on the ten year anniversary of the date our board of directors approved the 2021 Plan.

2012 Stock Plan

Our 2012 Stock Plan was originally adopted by our board of directors in May 2012 and was most recently amended in June 2021. Our stockholders originally approved our 2012 Plan in October 2012.

Our 2012 Plan provides for the direct award or sale of shares of our Class A common stock, for the grant of options to purchase shares of our Class A common stock, and for the grant of RSUs to acquire shares of our Class A common stock (each, an award and the recipient of such award, a participant) to employees, non-employee directors, and consultants of ours and employees and consultants of any parent or subsidiary of ours. Options granted under our 2012 Plan may include nonstatutory stock options as well as incentive stock options intended to qualify under Section 422 of the Code. It is expected that on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a part, our 2012 Plan will be terminated and we will not grant any additional awards under our 2012 Plan thereafter. However, our 2012 Plan will continue to govern the terms and conditions of the outstanding awards previously granted under our 2012 Plan.

Plan Administration. Our 2012 Plan is administered by our board of directors or one or more committees appointed by our board of directors. Each committee will consist, as required by applicable law, of one or more members of our board of directors and will have such authority and be responsible for such functions as our board of directors has assigned to it (the board of directors, or its designated committee, the administrator). Subject to the provisions of the 2012 Plan, the administrator has full authority and discretion to take any actions it deems necessary or advisable for the administration of our 2012 Plan. All decisions, interpretations, and other actions of the administrator are final and binding on all participants and all persons deriving their rights from a participant.

The administrator's powers include the power to institute and determine the terms and conditions of an exchange program under which (i) outstanding awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, or cash, (ii) participants would have the opportunity to transfer any outstanding awards to a financial institution or other person or entity selected by the administrator, or (iii) the exercise price of an outstanding award is reduced or increased.

Eligibility. Employees, non-employee directors, and consultants of ours and employees or consultants or our parent or subsidiary companies are eligible to receive awards, provided such consultants render bona fide services not in connection with the offer and sale of securities in a capital raising transaction and do not directly promote or maintain a market for our securities, in each case, within the meaning of Form S-8 promulgated under the U.S. securities laws. Only our employees or employees of our parent or subsidiary companies are eligible to receive incentive stock options.

Stock Options. Stock options have been granted under our 2012 Plan. Subject to the provisions of our 2012 Plan, the administrator determines the term of an option, the number of shares subject to an option and the time period in which an option may be exercised.

The term of an option is stated in the applicable award agreement, but the term of an option may not exceed 10 years from the grant date. The administrator determines the exercise price of options, which generally may not be less than 100% of the fair market value of our Class A common stock on the grant date. However, an incentive stock option granted to a person who owns more than 10% of the total combined voting power of all classes of our outstanding stock or of our parent or any subsidiary may have a term of no longer than five years from the grant date and must have an exercise price of at least 110% of the fair market value of our Class A common stock on the grant date. In addition, to the extent that the aggregate fair market value of the shares with respect to which incentive stock options are exercisable for the first time by an employee during any calendar year (under all our plans and those of any parent or subsidiary) exceeds $100,000, such options will be treated as nonstatutory stock options.

The administrator determines how a participant may pay the exercise price of an option, and the permissible methods are generally set forth in the 2012 Plan or the applicable award agreement. If a participant's "service" (as defined in our 2012 Plan) terminates, that participant may exercise the vested portion of his or her option for the period of time stated in the 2012 Plan or the applicable award agreement. Vested options generally will remain exercisable for three months or such earlier or later period of time as set forth in the applicable award agreement (but in no event earlier than 30 days after the termination of service) if a participant's service terminates for a reason other than death or disability. If a participant's service terminates due to death or disability, vested options generally will remain exercisable for six months (in the case of a termination due to disability) or 12 months (in the case of a termination due to death and in no event earlier than six months after the participant's death) from the date of termination (or such other longer period as set forth in the applicable award agreement). In no event will an option remain exercisable beyond its original term. If a participant does not exercise his or her option within the time specified in the award agreement, the option will terminate. Except as described above, the administrator has the discretion to determine the post-termination exercisability periods for an option.

Restricted Stock Units. RSUs may be granted under our 2012 Plan. Subject to the terms and conditions of our 2012 Plan and the individual award agreement, the administrator determines the terms, conditions, and restrictions related to the RSUs, including the vesting criteria, if any, which, depending on the extent to which the criteria are met, will determine the number of RSUs that will be paid to a participant. The administrator may set vesting criteria based upon the achievement of company-wide, divisional, business unit, or individual goals (including continued employment or service), or any other basis determined by the administrator in its discretion.

Upon meeting any applicable vesting criteria, a participant holding an award of RSUs is entitled to receive a payout as determined by the administrator. At any time after the grant of RSUs, the administrator may, in its sole discretion, reduce or waive any vesting criteria that must be met to earn the RSUs. Payment of earned RSUs will be made at the time(s) determined by the administrator and set forth in the award agreement, subject to applicable laws. Unless otherwise provided in the award agreement, the administrator may settle earned RSUs in cash, shares of our Class A common stock,

or a combination of both. On the date set forth in the award agreement, all unearned RSUs will be forfeited to us.

Non-Transferability of Awards. Unless determined otherwise by the administrator, an award may be transferable by a participant only by (i) a beneficiary designation, (ii) a will, or (iii) the laws of descent and distribution, except that if the applicable option agreement so provides, a nonstatutory option may also be transferable by gift or domestic relations order to a family member of participant. An incentive stock option may be exercised during an applicable participant's lifetime only by participant or by participant's guardian or legal representative.

Certain Adjustments. In the event of a subdivision of our outstanding shares of Class A common stock, a declaration of a dividend payable in our shares of Class A common stock, a combination or consolidation of our outstanding Class A common stock into a lesser number of shares, a reclassification, or any other increase or decrease in the number of our issued shares of Class A common stock effected without our receipt of consideration, proportionate adjustments will automatically be made in each of (i) the number and kind of our shares of Class A common stock available for future grant under our 2012 Plan, (ii) the number and kind of our shares of Class A common stock covered by each outstanding award, (iii) the exercise price of each outstanding option and the purchase price applicable to any unexercised stock purchase right, and (iv) any repurchase price that applies to shares of our Class A common stock granted under our 2012 Plan pursuant to the terms of our repurchase right under the applicable award agreement. In the event of a declaration of an extraordinary dividend payable in a form other than shares of our Class A common stock in an amount that has a material effect on the fair market value of our Class A common stock, a recapitalization, a spin-off, or a similar occurrence, the administrator at its sole discretion may make appropriate adjustments in one or more of the items listed in (i) through (iv) above or any adjustments required by the California Corporations Code.

Mergers and Consolidations. In the event that we are party to a merger or consolidation, or in the event of a sale of all or substantially all of our stock or assets, all shares of our Class A common stock acquired under our 2012 Plan and all awards will be treated in the manner described in the definitive transaction agreement, or, in the event the transaction does not entail a definitive agreement, in the manner determined by the board of directors, with such determination having final and binding effect on all parties. Such agreement or determination need not treat all awards (or portions of an award) in an identical manner and may provide for one or more of the following without limitation with respect to each outstanding award: (i) the continuation of the award by us (if we are the surviving corporation), (ii) the assumption of the award by the surviving corporation or its parent, (iii) the substitution by the surviving corporation or its parent of a new award for the award, (iv) the cancellation of the award and a payment to participant with respect to each share of Class A common stock subject to the award that is vested of the transaction date equal to the excess of (A) over the value, as determined by our board of directors, of the property (including cash) received by the holder of a share of our Class A common stock as a result of the transaction, over (B) the per share exercise price of the award, if any, (v) suspension of participant's right to exercise the award during a limited period of time as necessary to permit the closing of the transaction, or (vi) termination of any right the participant has to exercise the option prior to vesting such that following the closing of the transaction, the option may only be exercised to the extent it is vested. For the avoidance of doubt, the board of directors has discretion to accelerate, in whole or part, the vesting and exercisability of an award in connection with a corporate transaction described above.

In the event that the successor corporation does not assume or substitute for an award (or portion thereof), participant will fully vest in and have the right to exercise all of his or her outstanding options, all restrictions on shares of our Class A common stock and RSUs will lapse, and, with respect to awards with performance-based vesting, all performance goals or other vesting criteria will be deemed

achieved at 100% of target levels and all other terms and conditions met, in all cases, unless specifically provided otherwise under the applicable award agreement or other written agreement between us and participant. In addition, if an option is not assumed or substituted in the event of a merger or consolidation, the administrator will notify each participant in writing or electronically that the option will be exercisable for a period of time determined by the administrator in its sole discretion and the option will terminate upon the expiration of such period.

Clawback. Our board of directors may specify in an award agreement that participant's rights, payments, and benefits with respect to an award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an award. An award will be subject to any clawback policy of ours as may be established or amended from time to time. Our board of directors may require a participant to forfeit, return, or reimburse us all or a portion of the award and any amounts paid under the award pursuant to the terms of the clawback policy or as necessary or appropriate to comply with applicable laws.

Amendment and Termination. Our board of directors may amend, suspend, or terminate our 2012 Plan at any time and for any reason; provided, however, that any amendment to our 2012 Plan will be subject to the approval of our stockholders if it increases the number of our shares of Class A common stock reserved under our 2012 Plan (except as provided in the 2012 Plan) or materially changes the class of persons eligible to receive incentive stock options. As noted above, it is expected that on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a part, our 2012 Plan will be terminated and we will not grant any additional awards under our 2012 Plan thereafter.

Executive Incentive Compensation Plan

In June 2021, our board of directors adopted an Executive Incentive Compensation Plan, or our Bonus Plan, effective as of June 2021. The Bonus Plan is administered by our board of directors or a committee appointed by our board of directors. Unless and until our board of directors determines otherwise, our compensation committee will be the administrator of the Bonus Plan. The Bonus Plan allows our compensation committee to provide incentive awards to selected employees, including our named executive officers, determined by our compensation committee, which may be based upon performance goals established by our compensation committee. Our compensation committee, in its sole discretion, may establish a target award for each participant under the Bonus Plan, which may be expressed as a percentage of the participant's average annual base salary for the applicable performance period or a fixed dollar amount or such other amount or based on such other formula or factors as the compensation committee determines.

Under the Bonus Plan, our compensation committee will determine the performance goals, if any, applicable to awards, which goals may include, without limitation: attainment of research and development milestones; bookings; business divestitures and acquisitions; capital raising; cash flow; cash position; contract awards or backlog; corporate transactions; customer renewals; customer retention rates from an acquired company, subsidiary, business unit or division; earnings (which may include any calculation of earnings, including but not limited to earnings before interest and taxes, earnings before taxes, earnings before interest, taxes, depreciation and amortization and net taxes); earnings per share; expenses; financial milestones; gross margin; growth in stockholder value relative to the moving average of the S&P 500 Index or another index; internal rate of return; leadership development or succession planning; license or research collaboration arrangements; market share; net income; net profit; net sales; new product or business development; new product invention or innovation; number of customers; operating cash flow; operating expenses; operating income; operating margin; overhead or other expense reduction; patents; procurement; product defect

measures; product release timelines; productivity; profit; regulatory milestones or regulatory-related goals; retained earnings; return on assets; return on capital; return on equity; return on investment; return on sales; revenue; revenue growth; sales bookings; sales results; sales growth; savings; stock price; time to market; total stockholder return; working capital; unadjusted or adjusted actual contract value; unadjusted or adjusted total contract value; and individual objectives such as peer reviews or other subjective or objective criteria. As determined by our compensation committee, the performance goals may be based on GAAP or non-GAAP results and any actual results may be adjusted by our compensation committee for one-time items or unbudgeted or unexpected items and/or payment of actual awards when determining whether the performance goals have been met. The performance goals may be based on any factors our compensation committee determines relevant, including, without limitation, on an individual, divisional, portfolio, project, business unit, segment, or company-wide basis. Any criteria used may be measured on such basis as our compensation committee determines. The performance goals may differ from participant to participant and from award to award.

Our compensation committee, at any time prior to payment of an actual award, may increase, reduce or eliminate a participant's actual award, or increase, reduce or eliminate the amount allocated to the bonus pool. The actual award may be below, at or above a participant's target award, in our compensation committee's discretion. Our compensation committee may determine the amount of any increase, reduction or elimination based on such factors as it deems relevant, and it will not be required to establish any allocation or weighting with respect to the factors it considers.

Actual awards generally will be paid in cash (or its equivalent) in a single lump sum. The compensation committee reserves the right to settle an actual award with a grant of an equity award with such terms and conditions, including any vesting requirements, as determined by the compensation committee. Unless otherwise determined by our compensation committee, to earn an actual award, a participant must be employed by us (or an affiliate of us, as applicable) on the date the bonus is paid. Payment of bonuses occurs as soon as practicable after the end of the applicable performance period, but no later than the dates set forth in the Bonus Plan. All awards under the Bonus Plan will be subject to reduction, cancellation, forfeiture, or recoupment in accordance with any clawback policy that we are required to adopt pursuant to any rule, regulation or law. Our compensation committee may also impose such other clawback, recovery or recoupment provisions with respect to an award under the Bonus Plan as it may determine is necessary or appropriate.

Our board of directors or its compensation committee will have the authority to amend or terminate the Bonus Plan provided such action does not alter or impair the existing rights of any participant with respect to any earned bonus without the participant's consent. The Bonus Plan will remain in effect until terminated in accordance with the terms of the Bonus Plan.

401(k) Plan

We maintain a tax-qualified retirement plan that provides eligible U.S. employees with an opportunity to save for retirement on a tax-advantaged basis, or the 401(k) Plan. 401(k) Plan participants are able to defer eligible compensation on a pre-tax or after tax (Roth) basis, subject to applicable annual Code limits. The 401(k) plan is intended to be qualified under Section 401(a) of the Code with the 401(k) plan's related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, pre-tax contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan, and earnings on Roth contributions are not taxable when distributed from the 401(k) plan.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements, discussed in the sections titled "*Management*" and "*Executive Compensation*," the following is a description of each transaction since January 1, 2018 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or exceeds $120,000; and
- any of our directors, executive officers or holders of more than 5% of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

Equity Financings

Series D Convertible Preferred Stock Financing

From July 2017 to March 2018, we issued and sold an aggregate of 92,628,839 shares of our Series D convertible preferred stock at a purchase price of $1.187535 per share for an aggregate purchase price of approximately $110 million. Purchasers of our Series D convertible preferred stock included venture capital funds that beneficially owned more than 5% of our outstanding share capital and/or are represented on our board of directors. The following table presents the number of shares and the total purchase price paid by these persons. The terms for these purchases were the same for all purchasers of our Series D convertible preferred stock.

Investor	Total Shares	Total Purchase Price
Entities affiliated with Lightspeed(1)	10,104,964	$ 11,999,998.44

(1) Shares purchased by Lightspeed Venture Partners IX, L.P. and Lightspeed Venture Partners Select, L.P. Entities affiliated with Lightspeed currently hold more than 5% of our outstanding capital stock.

Series E Convertible Preferred Stock Financing

In May 2019, we issued an aggregate of 3,984,906 shares of our Series E convertible preferred stock upon conversion of a convertible note at a purchase price equal to 80% of $1.584494 per share for an aggregate purchase price of approximately $5 million. From May 2019 to September 2019, we issued and sold an aggregate of 78,887,870 shares of our Series E convertible preferred stock at a purchase price of $1.584494 per share for an aggregate purchase price of approximately $125 million. Purchasers of our Series E convertible preferred stock included venture capital funds that beneficially owned more than 5% of our outstanding share capital and/or are represented on our board of directors. The following table presents the number of shares and the total purchase price paid by these persons. The terms for these purchases were the same for all purchasers of our Series E convertible preferred stock.

Investor	Total Shares	Total Purchase Price
Entities affiliated with Greylock Partners(1)	631,114	$ 999,996.35
Entities affiliated with Lightspeed(2)	6,784,500	$ 10,749,999.55

(1) Shares purchased by Greylock 15 Limited Partnership, Greylock 15-A Limited Partnership and Greylock 15 Principals Partnership. Entities affiliated with Greylock Partners currently hold more than 5% of our outstanding capital stock and Gerald Chen, a member of our board of directors, is a Partner at Greylock Partners.

(2) Shares purchased by Lightspeed Venture Partners IX, L.P. and Lightspeed Venture Partners Select, L.P. Entities affiliated with Lightspeed currently hold more than 5% of our outstanding capital stock.

Series F Convertible Preferred Stock Financing

From August 2020 to September 2020, we issued and sold an aggregate of 29,720,954 shares of our Series F convertible preferred stock at a purchase price of $2.575906 per share for an aggregate purchase price of approximately $76.6 million. Purchasers of our Series F convertible preferred stock included venture capital funds that beneficially owned more than 5% of our outstanding share capital and/or are represented on our board of directors. The following table presents the number of shares and the total purchase price paid by these persons. The terms for these purchases were the same for all purchasers of our Series F convertible preferred stock.

Investor	Total Shares	Total Purchase Price
General Atlantic (BL), L.P.(1)	1,435,708	$ 3,698,248.86
Entities affiliated with Greylock Partners(2)	40,762	$ 104,999.09
Ossa Investments Pte. Ltd.(3)	2,777,720	$ 7,155,145.62

(1) General Atlantic (BL), L.P. currently holds more than 5% of our outstanding capital stock.
(2) Shares purchased by Greylock 15 Limited Partnership, Greylock 15-A Limited Partnership and Greylock 15 Principals Partnership. Entities affiliated with Greylock Partners currently hold more than 5% of our outstanding capital stock and Gerald Chen, a member of our board of directors, is a Partner at Greylock Partners.
(3) Ossa Investments Pte. Ltd., or Ossa, currently holds more than 5% of our outstanding capital stock.

Investors' Rights Agreement

We are party to an amended and restated investors' rights agreement, dated as of January 11, 2021, or the investors' rights agreement, which provides, among other things, that certain holders of our capital stock, including entities affiliated with Coatue 36 US LLC, or Coatue, Formation8, General Atlantic, Greylock Partners, Lightspeed, Ossa, and Tiger Global Management LLC, or Tiger Global, have the right to demand that we file a registration statement or request that their shares of our capital stock be covered by a registration statement that we are otherwise filing. Gerald Chen, a member of our board of directors, is or has been affiliated with Greylock Partners. See the section titled "*Description of Capital Stock—Registration Rights*" for additional information regarding these registration rights.

Right of First Refusal

Pursuant to our bylaws, certain of our equity compensation plans, and certain agreements with our stockholders, including an amended and restated right of first refusal and co-sale agreement, or the right of first refusal and co-sale agreement, dated as of January 11, 2021, we or our assignees have a right to purchase shares of our capital stock which stockholders propose to sell to other parties. This right will terminate upon completion of this offering. Entities affiliated with Coatue, Formation8, General Atlantic, Greylock Partners, Lightspeed, Ossa, and Tiger Global are party to the right of first refusal and co-sale agreement. Gerald Chen, a member of our board of directors, is or has been affiliated with Greylock Partners. Nima Ghamsari, Head of Blend, Co-Founder, and Chair of our board of directors, is a party to the right of first refusal and co-sale agreement.

Voting Agreement

We are party to an amended and restated voting agreement, dated as of January 11, 2021, or the voting agreement, under which certain holders of our capital stock, including entities affiliated with

Coatue, Formation8, General Atlantic, Greylock Partners, Lightspeed, Ossa, and Tiger Global, have agreed to vote their shares of our capital stock on certain matters, including with respect to the election of directors. Upon completion of this offering, our voting agreement will terminate and none of our stockholders will have any special rights regarding the election or designation of members of our board of directors. Gerald Chen, a member of our board of directors, is or has been affiliated with Greylock Partners. Nima Ghamsari, Head of Blend, Co-Founder, and Chair of our board of directors, is a party to our voting agreement.

2021 Tender Offer

In January 2021, we facilitated a tender offer whereby Coatue and certain entities affiliated with Tiger Global commenced a tender offer to purchase shares of our Class A common stock and convertible preferred stock from certain of our securityholders for $4.15 per share. Upon completion of the tender offer in March 2021, an aggregate of 1,327,416 shares of our capital stock were tendered pursuant to the tender offer for an aggregate purchase price of approximately $5,508,776.

Founder Promissory Note and Stock Pledge Agreement

On November 20, 2018, we entered into a secured partial-recourse promissory note and stock pledge agreement, or the stock pledge agreement, with Nima Ghamsari, Head of Blend, Co-Founder, and Chair of our board of directors. We purchased from Mr. Ghamsari a promissory note in the principal amount of $2,666,544. This promissory note was due on November 20, 2025, bore interest at the rate of 3.04% per annum and was secured by the stock pledge agreement. The stock pledge agreement provided, among other things that 17,931,034 shares of our Class A common stock held by Mr. Ghamsari were pledged to us to secure the payment and performance of the obligations of Mr. Ghamsari under the promissory note. Mr. Ghamsari repaid the promissory note on June 17, 2021.

Customer Arrangements with TIAA

Roger Ferguson, Jr., a member of our board of directors, served as the President and Chief Executive Officer of TIAA, from April 2008 to April 2021. In 2018, 2019, and 2020, we recognized revenue from sales of our products and services to TIAA in the amounts of $351,000, $556,190, and $527,641, respectively.

Other Transactions

We have granted stock options to our executive officers. See the sections titled "*Executive Compensation—Outstanding Equity Awards at 2020 Year-End*" for a description of these stock options.

To facilitate the Class B Stock Exchange, we will enter into an exchange agreement with Mr. Ghamsari, effective as of immediately prior to effectiveness of the filing of our amended and restated certificate of incorporation, pursuant to which 32,750,000 shares of our Class A common stock beneficially owned by Mr. Ghamsari will automatically be exchanged for an equivalent number of shares of our Class B common stock immediately prior to the completion of this offering. In addition, following the completion of this offering, and pursuant to the Equity Award Exchange Agreement to be entered into between us and Mr. Ghamsari, Mr. Ghamsari shall have a right (but not an obligation), to require us to exchange any shares of Class A common stock received upon the exercise of options to purchase shares of Class A common stock for an equivalent number of shares of Class B common stock. This Equity Award Exchange applies only to equity awards granted to Mr. Ghamsari prior to the effectiveness of the filing of our amended and restated certificate of incorporation. As of March 31, 2021, there were 93,760,955 shares of our Class A common stock subject to options held by Mr. Ghamsari that may be exchanged, upon exercise, for an equivalent number of shares of our Class B common stock following this offering.

Other than as described above under this section titled "*Certain Relationships and Related Party Transactions*," since January 1, 2018, we have not entered into any transactions, nor are there any currently proposed transactions, between us and a related party where the amount involved exceeds, or would exceed, $120,000, and in which any related person had or will have a direct or indirect material interest. We believe the terms of the transactions described above were comparable to terms we could have obtained in arm's-length dealings with unrelated third parties.

Limitation of Liability and Indemnification of Officers and Directors

We expect to adopt an amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by the Delaware General Corporation Law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, we expect to adopt amended and restated bylaws, which will become effective immediately prior to the completion of this offering, and which will provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that they are or were one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws are expected to provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that they are or were one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws will also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we have entered into or will enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are expected to be included in our amended and restated certificate of incorporation, amended and restated bylaws and in indemnification

agreements that we have entered into or will enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement will provide for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Policies and Procedures for Related Party Transactions

Following the completion of this offering, our audit committee will have the primary responsibility for reviewing and approving or disapproving "related party transactions," which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed $120,000 and in which a related person has or will have a direct or indirect material interest. Upon completion of this offering, our policy regarding transactions between us and related persons will provide that a related person is defined as a director, executive officer, nominee for director or greater than 5% beneficial owner of our Class A common stock, in each case since the beginning of the most recently completed year, and any of their immediate family members. Our audit committee charter that will be in effect upon completion of this offering will provide that our audit committee shall review and approve or disapprove any related party transactions.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our capital stock as of May 31, 2021, and as adjusted to reflect the sale of our Class A common stock in this offering assuming no exercise of the underwriters' option to purchase additional shares of our Class A common stock, for:

- each of our named executive officers;
- each of our directors;
- all of our current directors and executive officers as a group; and
- each person known by us to be the beneficial owner of more than 5% of the outstanding shares of any class of our voting securities.

We have determined beneficial ownership in accordance with the rules of the SEC, and thus it represents sole or shared voting or investment power with respect to our securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Securities Act.

We have based our calculation of the percentage of beneficial ownership prior to this offering on 579,255,602 shares of our Class A common stock outstanding, 38,650,000 shares of our Class B common stock outstanding, and no shares of our Class C common stock outstanding as of May 31, 2021 (after giving effect to the Capital Stock Conversion, the Reclassification, and the Class B Stock Exchange), which includes:

- 440,617,888 shares of Class A common stock resulting from the Capital Stock Conversion, which we expect will occur upon the completion of this offering;
- 138,637,714 shares of our Class A common stock outstanding, which number of shares excludes the shares being exchanged in the Class B Exchange; and
- 38,650,000 shares of our Class B common stock, which includes 32,750,000 shares of our Class A common stock outstanding beneficially owned by Mr. Ghamsari that will be exchanged for an equivalent number of our Class B common stock in the Class B Exchange immediately prior to the completion of this offering.

We have based our calculation of the percentage of beneficial ownership after this offering on shares of our Class A common stock issued by us in this offering and shares of our Class A common stock and shares of our Class B common stock outstanding immediately after the completion of this offering, assuming that the underwriters will not exercise their option to purchase up to an additional shares of our Class A common stock from us in full. We have deemed shares of our Class A common stock and Class B common stock (after giving effect to the Equity Award Exchange) subject to stock options that are currently exercisable or exercisable within 60 days of May 31, 2021 to be outstanding and to be beneficially owned by the person holding the stock option for the purpose of computing the percentage ownership of that person. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. We have also deemed, pursuant to the Equity Award Exchange, the full exchange of shares of Class A common stock received upon the exercise of 15,552,278 options to purchase shares of Class A common stock held by our Mr. Ghamsari, which options are currently exercisable or exercisable within 60 days of May 31, 2021, for an equivalent number of shares of Class B common stock.

The table below does not reflect any shares of Class A common stock that may be purchased in this offering. Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Blend Labs, Inc., 415 Kearny Street, San Francisco, California 94108.

Name	Number of Shares Beneficially Owned		Percentage of Shares Beneficially Owned (%)				Percentage of Total Voting Power After the Offering
			Before the Offering		After the Offering		
	Class A Common Stock	Class B Common Stock	Class A Common Stock	Class B Common Stock	Class A Common Stock	Class B Common Stock	
Executive Officers and Directors:							
Nima Ghamsari(1)	—	54,202,278	—	100%			%
Timothy J. Mayopoulos(2)	11,840,000	—	2.0%	—			
Crystal Sumner(3)	3,395,910	—	*	—			
Gerald Chen(4)	30,102,586	—	5.2%	—			
Erin James Collard(5)	4,774,066	—	*	—			
Roger Ferguson, Jr. (6)	104,895	—	*	—			
Ann Mather(7)	2,997,802	—	*	—			
All executive officers and directors as a group (8 persons)(8)	57,860,259	54,202,278	9.9%	100%			
5% Stockholders:							
Entities affiliated with Coatue(9)	33,708,305	—	5.8%	—			
Entities affiliated with Formation8(10)	48,661,537	—	8.4%	—			
General Atlantic (BL), L.P.(11)	31,001,851	—	5.4%	—			
Entities affiliated with Greylock Partners(12)	30,102,586	—	5.2%	—			
Entities affiliated with Lightspeed(13)	77,181,722	—	13.3%	—			
Ossa Investments Pte. Ltd.(14)	35,627,323	—	6.2%	—			
Entities affiliated with Tiger Global(15)	33,708,305	—	5.8%	—			

* Represents beneficial ownership of less than one percent (1%) of the outstanding shares of our common stock.

(1) Consists of (i) 38,650,000 shares of Class B common stock held of record by Mr. Ghamsari; and (ii) 15,552,278 shares of Class B common stock subject to options exercisable within 60 days of May 31, 2021, none of which would be fully vested as of such date, and excluding options that vest pursuant to tranches two through five of the Founder and Head of Blend Long-Term Performance Award. See the section titled "*Executive Compensation—Founder and Head of Blend Long-Term Performance Award*" for additional information.

(2) Consists of (i) 1,072,558 shares of Class A common stock held of record by Mr. Mayopoulos; and (ii) 10,767,442 shares of Class A common stock subject to options exercisable within 60 days of May 31, 2021, 5,392,442 of which would be fully vested as of such date.

(3) Consists of (i) 1,189,043 shares of Class A common stock held of record by Ms. Sumner; and (ii) 2,206,867 shares of Class A common stock subject to options exercisable within 60 days of May 31, 2021, 936,867 of which would be fully vested as of such date.

(4) Consists of shares held by Greylock 15 Limited Partnership, Greylock 15 Principals Limited Partnership, and Greylock 15-A Limited Partnership referenced in footnote (12) below. Mr. Chen disclaims beneficial ownership of all securities other than those he owns directly, if any, or by virtue of his indirect pro rata interest, as a managing member of Greylock LLC, in the Class A common stock owned by Greylock 15, Greylock Principals, and/or Greylock 15-A.

(5) Consists of (i) 3,167,680 shares of Class A common stock held of record by Prometheus Trust, of which Mr. Collard is the trustee; and (ii) 1,606,386 shares of Class A common stock subject to options exercisable within 60 days of May 31, 2021, 1,361,631 of which would be fully vested as of such date.

(6) Consists of 104,895 shares of Class A common stock subject to options exercisable within 60 days of May 31, 2021, 26,223 of which would be fully vested as of such date.

(7) Consists of (i) 2,397,802 shares of Class A common stock held of record by Ms. Mather; and (ii) 600,000 shares of Class A common stock held of record by Black Bear Territory LLC, of which Ms. Mather is a manager.

(8) Consists of (i) 40,044,496 shares of Class A common stock and 38,650,000 shares of Class B common stock beneficially owned by our executive officers and directors; (ii) 17,815,763 shares of Class A common stock subject to options exercisable within 60 days of May 31, 2021 held by our executive officers and directors, 9,080,669 of which would be fully vested as of such date; and (iii) 15,552,278 shares of Class B common stock subject to options exercisable within 60 days of May 31, 2021 held by Mr. Ghamsari, none of which would be fully vested as of such date.

(9) Consists of 33,708,305 shares of Class A common stock held of record by Coatue US 36 LLC (on an as-converted basis). Coatue US 36 LLC is managed by Coatue Management, L.L.C. as the investment manager. The sole owner of Coatue Management, L.L.C. is Coatue Management Partners L.P., for which Coatue Management Partners GP L.L.C. serves as general partner. Philippe Laffont serves as managing member of Coatue Management Partners GP L.L.C. Coatue US 36 LLC, Coatue Management, L.L.C., and Philippe Laffont disclaim beneficial ownership over all of the securities reported herein except to the extent of their pecuniary interest therein. The business address for each of these entities and individuals is 9 West 57th Street, 25th Floor, New York, NY 10019.

(10) Consists of 48,661,537 shares of Class A common stock held of record by Formation8 Partners Fund I, L.P, or Formation8. Formation8 GP, LLC, or Formation8 GP, has sole voting and dispositive power with respect to the shares held by Formation8. The managing members of Formation8 GP are James Kim, Brian Koo, and Joe Lonsdale. The business address for each of these entities and individuals is 4962 El Camino Real, Suite 212, Los Altos, CA 94022.

(11) Consists of 31,001,851 shares of Class A Common Stock held of record by General Atlantic (BL), L.P., or GA BL. The limited partners that share beneficial ownership of the shares held by GA BL are the following General Atlantic investment funds, or the GA Funds: General Atlantic Partners 100, L.P., or GAP 100; General Atlantic Partners (Bermuda) EU, L.P., or GAP Bermuda EU; General Atlantic Partners (Lux) SCSp, or GAP Lux; GAP Coinvestments III, LLC, or GAPCO III; GAP Coinvestments IV, LLC, or GAPCO IV; GAP Coinvestments V, LLC, or GAPCO V; and GAP Coinvestments CDA, L.P., or GAPCO CDA. The general partner of GA BL is General Atlantic (SPV) GP, LLC, or GA SPV. The general partner of GAP Lux is General Atlantic GenPar, (Lux) SCSp, or GA GenPar Lux, and the general partner of GA GenPar Lux is General Atlantic (Lux) S.à r.l., or GA Lux. The general partner of GAP Bermuda EU and the sole shareholder of GA Lux is General Atlantic GenPar (Bermuda), L.P., or GenPar Bermuda. GAP (Bermuda) Limited is the general partner of GenPar Bermuda. The general partner of GAP 100 is General Atlantic GenPar, L.P., or GA GenPar, and the general partner of GA GenPar is General Atlantic LLC, or GA LLC. GA LLC is the managing member of GAPCO III, GAPCO IV, and GAPCO V, the general partner of GAPCO CDA, and is the sole member of GA SPV. There are nine members of the management committee of GA LLC, or the GA Management Committee. The members of the GA Management Committee are also the members of the management committee of GAP (Bermuda) Limited. GA LLC, GA GenPar, GAP (Bermuda) Limited, GenPar Bermuda, GA Lux, GA GenPar Lux, GA BL, GA SPV, and the GA Funds, collectively, the GA Group, are a "group" within the meaning of Rule 13d-5 of the Securities Exchange Act of 1934, as amended. Each of the members of the GA Management Committee disclaims ownership of the shares except to the extent that he has a pecuniary interest therein. The business address for each of these entities and individuals other than GAP Bermuda EU, GAP Lux, GA GenPar Lux, GA Lux, GenPar Bermuda, and GAP (Bermuda) Limited) is c/o General Atlantic Service Company, L.P., 55 East 52nd Street, 33rd Floor, New York, NY 10055. The business address for GAP Bermuda EU, GenPar Bermuda, and GAP (Bermuda) Limited is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The business address for GAP Lux, GA GenPar Lux, and GA Lux is Luxembourg is 412F, Route d'Esch, L-2086 Luxembourg.

(12) Consists of (i) 27,092,330 shares of Class A common stock held of record by Greylock 15 Limited Partnership, or Greylock 15; (ii) 1,505,128 shares of Class A common stock held of record by Greylock 15 Principals Limited Partnership, or Greylock Principals; and (iii) 1,505,128 shares of Class A common stock held of record by Greylock 15-A Limited Partnership, or Greylock 15-A. Greylock 15 GP LLC, or Greylock LLC, is the general partner of each of Greylock 15, Greylock Principals, and Greylock 15-A. Asheem Chandna, Reid Hoffman, James Slavet, Donald Sullivan, and David Sze are the senior managing members of Greylock LLC. The managing members of Greylock LLC may be deemed to share the power to vote or direct the voting of and to dispose or direct the disposition of our Class A common stock beneficially owned by Greylock 15, Greylock Principals, and Greylock 15-A. Each of the managing members of Greylock LLC disclaims beneficial ownership of all securities other than those he owns directly, if any, or by virtue of his indirect pro rata interest, as a managing member of Greylock LLC, in the Class A common stock owned by Greylock 15, Greylock Principals, and/or Greylock 15-A. Gerald Chen, a partner at Greylock Partners and a managing member of Greylock LLC, serves on our board of directors. The business address for each of these entities and individuals is 2550 Sand Hill Road, Suite 200, Menlo Park, CA 94025.

(13) Consists of (i) 52,255,072 shares of Class A common stock held of record by Lightspeed Venture Partners IX, L.P., or Lightspeed IX; (ii) 18,142,150 shares of Class A common stock held of record by Lightspeed Venture Partners Select, L.P., or Lightspeed Select; and (iii) 6,784,500 shares of Class A common stock held of record by Lightspeed Venture Partners Select III, L.P., or Lightspeed Select III. Lightspeed General Partner IX, L.P., or LGP IX, is the general partner of Lightspeed IX. Lightspeed Ultimate General Partner IX, Ltd., or LUGP IX, is the general partner of LGP IX. Barry Eggers, Ravi Mhatre, and Peter Nieh are the directors of LUGP IX and share voting and dispositive power with respect to the shares held by Lightspeed IX. Messrs. Eggers, Mhatre, and Nieh disclaim beneficial ownership of the shares held by Lightspeed IX except to the extent of their pecuniary interest therein. Lightspeed General Partner Select, L.P., or LGP Select, is the general partner of Lightspeed Select. Lightspeed Ultimate General Partner Select, Ltd., or LUGP Select, is the general partner of LGP Select. Lightspeed General Partner Select III, L.P., or LGP Select III, is the general partner of Lightspeed Select III. Lightspeed Ultimate General Partner Select III, Ltd., or LUGP Select III is the general partner of LGP Select III. Barry Eggers, Jeremy Liew, Ravi Mhatre, and Peter Nieh are the directors of each of LUGP Select and LUGP Select III and share voting and dispositive power with respect to the shares held by each of Lightspeed Select and Lightspeed Select III. Messrs. Eggers, Liew, Mhatre, and Nieh disclaim beneficial ownership of the shares held by each of Lightspeed Select and Lightspeed Select III except to the extent of their pecuniary interest therein. The business address for each of these entities and individuals is 2200 Sand Hill Road, Menlo Park, California 94025.

(14) Consists of 35,627,323 shares of Class A common stock held of record by Ossa Investments Pte. Ltd. Ossa Investments Pte. Ltd. is a direct wholly-owned subsidiary of Hotham Investments Pte Ltd, or Hotham, which in turn is a direct wholly-owned subsidiary of Fullerton Management Pte Ltd, or Fullerton, which in turn is a direct wholly-owned subsidiary of Temasek Holdings (Private) Limited, or Temasek. In such capacities, each of Hotham, Fullerton, and Temasek may be deemed to have voting and dispositive power over the shares held by Ossa Investments Pte. Ltd. The business address for each of these entities is 60B Orchard Road #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

(15) Consists of (i) 16,603,397 shares of Class A Common Stock held of record by Tiger Global Investments, L.P.; (ii) 6,246,365 shares of Class A common stock held of record by Tiger Global Long Opportunities Master Fund, L.P.; (iii) 10,847,695 shares of Class A common stock held of record by Tiger Global PIP 12 Holdings, L.P; and (iv) 10,848 shares of Class A common stock held of record by other entities and persons affiliated with Tiger Global Management, LLC. All such shares are controlled by Tiger Global Management, LLC, Chase Coleman, and Scott Shleifer. The business address for each of these entities and individuals is 9 West 57th Street, 35th Floor, New York, New York 10019.

DESCRIPTION OF CAPITAL STOCK

General

The following description summarizes certain important terms of our capital stock, as they are expected to be in effect immediately prior to the completion of this offering. We expect to adopt an amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of this offering, and this description summarizes the provisions that are expected to be included in such documents. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this section titled "*Description of Capital Stock*," you should refer to our amended and restated certificate of incorporation, amended and restated bylaws and amended and restated investors' rights agreement, which are included as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law. Immediately following the completion of this offering, our authorized capital stock will consist of shares of capital stock, $0.00001 par value per share, of which:

- shares are designated as Class A common stock;
- shares are designated as Class B common stock;
- shares are designated as Class C common stock, and
- shares are designated as preferred stock.

Assuming the completion of the Capital Stock Conversion and the Reclassification, which will occur immediately prior to the completion of this offering, as of , there were shares of our Class A common stock outstanding, held by stockholders of record, shares of our Class B common stock outstanding (after giving effect to the Class B Stock Exchange), held by stockholders of record, no shares of our Class C common stock outstanding, and no shares of preferred stock outstanding. Pursuant to our amended and restated certificate of incorporation, our board of directors will have the authority, without stockholder approval except as required by the listing standards of the New York Stock Exchange, to issue additional shares of our Class A common stock and Class C common stock. Until the Final Conversion Date, any issuance of additional shares of Class B common stock requires the approval of the holders of at least a majority of the outstanding shares of Class B common stock voting as a separate class.

Common Stock

We have three classes of authorized common stock, Class A common stock, Class B common stock, and Class C common stock. The rights of the holders of Class A common stock, Class B common stock, and Class C common stock are identical, except with respect to voting and conversion.

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine. See the section titled "*Dividend Policy*" for additional information.

Voting Rights

Holders of our Class A common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders, holders of our Class B common stock are entitled to 40 votes for

each share held on all matters submitted to a vote of stockholders, and holders of our Class C common stock are not entitled to vote on any matter that is submitted to a vote of stockholders, except as otherwise required by law. The holders of our Class A common stock and Class B common stock vote together as a single class, unless otherwise required by law. Under our amended and restated certificate of incorporation, approval of the holders of at least a majority of the outstanding shares of our Class B common stock voting as a separate class is required to increase the number of authorized shares of our Class B common stock. In addition, Delaware law could require either holders of our Class A common stock, our Class B common stock, or our Class C common stock to vote separately as a single class in the following circumstances:

- if we were to seek to amend our amended and restated certificate of incorporation to increase or decrease the par value of a class of stock, then that class would be required to vote separately to approve the proposed amendment; and
- if we were to seek to amend our amended and restated certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

Until the Final Conversion Date, approval of at least a majority of the outstanding shares of our Class B common stock voting as a separate class will be required to amend or modify any provision of the amended and restated certificate of incorporation inconsistent with, or otherwise alter, any provision of the amended and restated certificate of incorporation to modify the voting, conversion, or other rights, powers, preferences, privileges, or restrictions of our Class B common stock.

We have not provided for cumulative voting for the election of directors in our amended and restated certificate of incorporation.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights, and is not subject to conversion, redemption or sinking fund provisions.

Right to Receive Liquidation Distributions

If we become subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Conversion of Class B Common Stock

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. Following the completion of this offering, shares of Class B common stock will automatically convert into shares of Class A common stock upon sale or transfer except for certain transfers described in our amended and restated certificate of incorporation, including estate planning or other transfers among Mr. Ghamsari and his affiliates where exclusive voting control with respect to the shares of Class B common stock are retained by or granted to Mr. Ghamsari.

Each share of Class B common stock will convert automatically into one share of Class A common stock upon (i) the date fixed by our board of directors that is no less than 61 days and no more than 180 days following the first date following the completion of this offering on which the number of shares

of our capital stock, including Class A common stock, Class B common stock and Class C common stock, and any shares of capital stock underlying equity securities or other convertible instruments, held by Mr. Ghamsari and his affiliates is less than 35% of the Class B common stock held by Mr. Ghamsari and his affiliates as of immediately following the completion of this offering; (ii) 12 months after the death or permanent and total disability of Mr. Ghamsari, during which 12-month period the shares of our Class B common stock shall be voted as directed by a person designated by Mr. Ghamsari and approved by our board of directors (or if there is no such person, then our secretary then in office); (iii) the date fixed by our board of directors that is no less than 61 days and no more than 180 days following the date on which Mr. Ghamsari is terminated for cause (as defined in our amended and restated certificate of incorporation); or (iv) the date fixed by our board of directors that is no less than 61 days and no more than 180 days following the date upon which (A) Mr. Ghamsari is no longer providing services to us as an officer, employee, or consultant and (B) Mr. Ghamsari is no longer a member of our board of directors, either as a result of Mr. Ghamsari's voluntary resignation or as a result of a request or agreement by Mr. Ghamsari not to be renominated for election as a member of our board of directors at a meeting of our stockholders or (v) the 50-year anniversary of the closing of this offering.

Conversion of Class C Common Stock

After the conversion of all outstanding shares of our Class B common stock into shares of Class A common stock, all outstanding shares of Class C common stock will convert automatically into Class A common stock, on a share-for-share basis, on the date or time specified by the holders of a majority of the outstanding shares of Class A common stock, voting as a separate class.

Fully Paid and Non-Assessable

In connection with this offering, our legal counsel will opine that the shares of our Class A common stock to be issued in this offering will be fully paid and non-assessable.

Preferred Stock

After the completion of this offering, no shares of our preferred stock will be outstanding. Pursuant to our amended and restated certificate of incorporation that will become effective immediately prior to the completion of this offering, our board of directors will have the authority, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences and rights of the shares of each series and any of its qualifications, limitations or restrictions, in each case without further vote or action by our stockholders. Our board of directors can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of our company and might adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock. We have no current plan to issue any shares of preferred stock.

Options

As of March 31, 2021, we had outstanding options to purchase an aggregate of 104,150,853 shares of our Class A common stock, with a weighted average exercise price of approximately $1.01 per share,

under our 2012 Plan, which includes outstanding options of held by Mr. Ghamsari subject to the Equity Award Exchange. As of March 31, 2021, there were 93,760,955 shares of our Class A common stock subject to options held by Mr. Ghamsari that may be exchanged, upon exercise and pursuant to the Equity Award Exchange, for an equivalent number of shares of our Class B common stock following this offering.

Warrants

As of March 31, 2021, we had outstanding warrants to purchase 3,809,758 shares of our Series D-1 convertible preferred stock. Upon the completion of this offering, these warrants may remain outstanding. If outstanding upon the completion of this offering, these warrants shall become warrants to purchase shares of our Class A common stock. The holders of 3,809,758 shares issuable upon exercise of these warrants are entitled to registration rights under our IRA as described in greater detail below under "—*Registration Rights*."

Registration Rights

After the completion of this offering, the holders of up to 444,648,304 shares of our Class A common stock will be entitled to rights with respect to the registration of their shares under the Securities Act. We refer to such parties as holders in this subsection. These registration rights are contained in our IRA. We and certain holders of our capital stock are parties to the IRA. The registration rights set forth in the IRA shall terminate upon (a) after five years following the earlier of the consummation of this offering, (b) as to any holder, such earlier time after this offering at which such holder (i) can sell all shares held by it in compliance with Rule 144(b)(1)(i) or (ii) holds one percent (1%) or less of our outstanding Class A common stock and all registrable securities under the IRA held by such holder (together with any affiliate of the holder with whom such holder must aggregate its sales under Rule 144) can be sold in any three month period without registration in compliance with Rule 144 or (c) after the consummation of a liquidation transaction. We will pay the registration expenses (other than underwriting discounts, selling commissions, and stock transfer taxes) of the holders of the shares registered pursuant to the registrations described below, including the reasonable fees and disbursements of one counsel chosen by the holders of the shares included in such registrations. In an underwritten offering, the managing underwriters, if any, have the right, subject to specified conditions, to limit the number of shares such holders may include. We expect that our stockholders will waive their rights under the IRA (i) to receive notice of this offering, and (ii) to include their registrable shares in this offering.

Demand Registration Rights

After the completion of this offering, certain holders of our Class A common stock will be entitled to certain demand registration rights. At any time beginning six months after the effective date of this offering, the holders of shares then registrable under the IRA can request that we register the offer and sale of any of their shares in an underwritten offering, if the anticipated aggregate offering price, net of underwriting discounts, selling commissions, and stock transfer taxes, would exceed $5 million. We are obligated to effect only two such registrations. If we determine that it would be materially detrimental to our stockholders to effect such a demand registration, we have the right to defer such registration, not more than once in any twelve month period, for a period of up to 90 days. Additionally, we will not be required to effect a demand registration during the period beginning 60 days prior to our good faith estimate of the date of the filing of, and ending up to 180 days following the effectiveness of, a registration statement relating to the public offering of our common stock or if such holders propose to dispose of shares that may be immediately registered on Form S-3 as described below.

Piggyback Registration Rights

After the completion of this offering, if we propose to register the offer and sale of our Class A common stock under the Securities Act, in connection with the public offering of such Class A common stock the holders will be entitled to certain "piggyback" registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (1) a registration relating to the sale of securities to employees of us or a subsidiary pursuant to an equity incentive, stock option, stock purchase or similar plan, (2) a registration related to any employee benefit plan or a corporate reorganization or other transaction covered by Rule 145 promulgated under the Securities Act, (3) a registration on any registration form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of the shares of our Class A common stock or (4) a registration in which the only Class A common stock being registered is Class A common stock issuable upon conversion of debt securities that are also being registered, the holders of these shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their shares in the registration.

S-3 Registration Rights

After the completion of this offering, the holders of up to 444,648,304 shares of our Class A common stock will be entitled to certain Form S-3 registration rights. The holders of these shares can make a request that we register any of their shares then registrable under the IRA on Form S-3 if we are qualified to file a registration statement on Form S-3 and if the reasonably anticipated aggregate gross proceeds of the shares offered would equal or exceed $2 million. We will not be required to effect a registration on Form S-3 if we, within 30 days of receipt of such a request by the holders, give notice of its bona fide intention to effect the filing of a registration statement with the SEC within 120 days of receipt of such request. We will not be required to effect a registration on Form S-3 during the period beginning 30 days prior to our good faith estimate of the date of the filing of, and ending up to 90 days following the effectiveness of, a registration statement relating to the public offering of our common stock. Additionally, we will not be required to effect more than two registrations on Form S-3 within any 12-month period; provided, that if at any time we are eligible to file an automatic shelf registration statement.

Anti-Takeover Provisions

Certain provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective immediately prior to the completion of this offering, which are summarized below, may have the effect of delaying, deferring or discouraging another person from acquiring control of us. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Delaware Law

We will be governed by the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- the business combination or transaction which resulted in the stockholder becoming an interested stockholder was approved by the board of directors prior to the time that the stockholder became an interested stockholder;

- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by directors who are also officers of the corporation and shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the time the stockholder became an interested stockholder, the business combination was approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

In general, Section 203 defines a "business combination" to include mergers, asset sales, and other transactions resulting in financial benefit to a stockholder and an "interested stockholder" as a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation's outstanding voting stock. These provisions may have the effect of delaying, deferring or preventing changes in control of our company.

Amended and Restated Certificate of Incorporation and Amended and Restated Bylaw Provisions

Our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective immediately prior to the completion of this offering, will include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our board of directors or management team, including the following:

Multi-Class Stock

As described above in *"—Common Stock—Voting Rights*," our amended and restated certificate of incorporation provides for a multi-class common stock structure, as a result of which holders of our Class B common stock will be entitled to 40 votes per share, while holders of Class A common stock are entitled to one vote per share. Holders of Class A common stock and Class B common stock vote together as one class on all matters submitted to a vote of the stockholders.

Because of our multi-class structure, until the Final Conversion Date, Mr. Ghamsari will be able to determine or significantly influence matters submitted to our stockholders for approval even if he owns significantly less than 50% of the shares of our outstanding capital stock on an as-converted to Class A common stock basis. Mr. Ghamsari's concentrated control could discourage others from initiating a potential merger, takeover, or other change of control transaction that other stockholders may view as beneficial.

Separate Class B Vote for Certain Transactions

Until the Final Conversion Date, holders of our Class B common stock will have the right to vote as a separate class on amendments to our amended and restated certificate of incorporation that affect the rights of our Class B common stock. See the section titled "*—Common Stock —Voting Rights*."

Board of Directors Vacancies

Our amended and restated certificate of incorporation and amended and restated bylaws will authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors will be permitted to be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a

stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This will make it more difficult to change the composition of our board of directors and will promote continuity of management.

Stockholder Action; Special Meeting of Stockholders

Our amended and restated certificate of incorporation will provide that until the Voting Threshold Date, our stockholders may only take action by written consent if such action is first recommended or approved by our board of directors, except as set forth above under "*—Board of Directors Vacancies".* After the Voting Threshold Date, our stockholders will not be able to take action by written consent for any matter and will only be able to take action at annual or special meetings. As a result, a holder controlling a majority of the voting power of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws, or until the Voting Threshold Date, unless previously approved by our board of directors. Our amended and restated bylaws will further provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairperson of our board of directors, or our principal executive officer, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of the voting power of our capital stock to take any action, including the removal of directors.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our amended and restated bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws will also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

No Cumulative Voting

The Delaware General Corporation Law provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation does not provide for cumulative voting.

Amendment of Charter and Bylaws Provisions

Any amendment to our amended and restated certificate of incorporation or bylaws will require the approval of the holders of at least a majority of the voting power of the outstanding shares of our Class A common stock and Class B common stock voting as a single class.

Issuance of Undesignated Preferred Stock

Our board of directors will have the authority, without further action by our stockholders, to issue up to shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.

Exclusive Forum

Our amended and restated bylaws will provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (iii) any action asserting a claim against the company or any director or officer of the company arising pursuant to any provision of the Delaware General Corporation Law, (iv) any action to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation or amended and restated bylaws, or (v) any other action asserting a claim that is governed by the internal affairs doctrine shall be a state or federal court located within the State of Delaware, in all cases subject to the court's having jurisdiction over indispensable parties named as defendants. Our amended and restated bylaws will also provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a course of action under the Securities Act. Nothing in our amended and restated bylaws precludes stockholders that assert claims under the Exchange Act from bringing such claims in state or federal court, subject to applicable law. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to these provisions. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers.

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our Class A common stock will be Computershare Trust Company, N.A. The transfer agent and registrar's address is 250 Royall Street, Canton, Massachusetts 02021.

Limitations of Liability and Indemnification

See the section titled "*Certain Relationships and Related Party Transactions—Limitation of Liability and Indemnification of Officers and Directors*."

Listing

We intend to apply for the listing of our Class A common stock on the New York Stock Exchange under the symbol "BLND".

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock, and we cannot predict the effect, if any, that market sales of shares of our Class A common stock or the availability of shares of our Class A common stock for sale will have on the market price of our Class A common stock prevailing from time to time. Future sales of our Class A common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares of our Class A common stock will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our Class A common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Following the completion of this offering, based on the number of shares of our capital stock outstanding as of March 31, 2021, we will have a total of shares of our Class A common stock outstanding, shares of our Class B common stock outstanding, and no shares of our Class C common stock outstanding. Of these outstanding shares, all shares of our Class A common stock sold in this offering will be freely tradable, except that any shares purchased in this offering by our affiliates, as that term is defined in Rule 144 under the Securities Act, would only be able to be sold in compliance with the Rule 144 limitations described below.

The remaining outstanding shares of our Class A common stock (including shares issued upon conversion of our Class B common stock) will be, and shares subject to stock options or warrants will be upon issuance, deemed "restricted securities" as defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below. As a result of the lock-up and market standoff agreements described below and the provisions of our IRA described in the section titled "*Description of Capital Stock—Registration Rights*," and subject to the provisions of Rule 144 or Rule 701, shares of our Class A common stock (including shares issued upon conversion of our Class B common stock) will be available for sale in the public market as follows:

- beginning on the date of this prospectus, all shares of our Class A common stock sold in this offering will be immediately available for sale in the public market;
- beginning on the date of the Employee Early Release, if such release has been triggered, shares of Class A common stock (including shares issuable upon exercise of certain options) held by current and former employees, consultants, or advisors, but excluding current executive officers and directors, will be eligible for sale in the public market from time to time thereafter subject in some cases to the volume and other restrictions of Rule 144;
- beginning on the date of the Earnings-Related Release, if such release has been triggered:
  - shares of Class A common stock held by former holders of our redeemable convertible preferred stock will be eligible for sale in the public market from time to time thereafter subject in some cases to the volume and other restrictions of Rule 144;
  - shares of Class A common stock held by executive officers and directors (including shares of Class A common stock issuable upon conversion of Class B common stock that are held by Mr. Ghamsari) will be eligible for sale in the public market from time to time thereafter subject in some cases to the volume and other restrictions of Rule 144; and
  - shares of Class A common stock held by all other holders will be eligible for sale in the public market from time to time thereafter subject in some cases to the volume and other restrictions of Rule 144; and

- beginning on the Final Lock-Up Release Date, the remainder of the shares of our common stock (including shares of Class A common stock issuable upon conversion of Class B common stock) will be eligible for sale in the public market from time to time thereafter, subject in some cases to the volume and other restrictions of Rule 144, as described below.

Lock-Up and Market Standoff Agreements

We have agreed that we will not (i) offer, pledge, announce the intention to sell, 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 dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to any shares of our Class A common stock or securities convertible into or exchangeable or exercisable for any shares of our Class A common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of Class A common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of Class A common stock or such other securities, in cash or otherwise), in each case without the prior written consent of Goldman Sachs & Co. LLC and Allen & Company LLC for a period of 180 days after the date of this prospectus, other than the shares of our Class A common stock to be sold hereunder and certain other exceptions.

Our directors, our executive officers and holders of a substantial majority of all of our capital stock and securities convertible into our capital stock have entered or will enter into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of time up to 180 days after the date of this prospectus, may not, without the prior written consent of Goldman Sachs & Co. LLC and Allen & Company LLC, (i) offer, pledge, announce the intention to sell, 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 shares of our Class A common stock or any securities convertible into or exercisable or exchangeable for our Class A common stock (including, without limitation, Class A common stock or such other securities which may be deemed to be beneficially owned by such directors, executive officers, and stockholders in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant), (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Class A common stock or such other securities, or (iii) publicly disclose the intention to do any of the foregoing, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Class A common stock or such other securities, in cash or otherwise.

In addition, our executive officers, directors and holders of a substantial majority of all of our capital stock and securities convertible into or exchangeable for our capital stock have entered into market standoff agreements with us under which they have agreed that, subject to certain exceptions, for a period of 180 days after the date of this prospectus, they will not, without our prior written consent, dispose of or hedge any shares or any securities convertible into or exchangeable for shares of our Class A common stock. In the event that the lock-up period under the lock-up agreements with the underwriters is subject to early termination in accordance with the terms of the lock-up agreements, as more fully described in the section titled "*Underwriting*," we would not expect to enforce such market standoff agreement from and after the early termination of such lock-up period.

Our lock-up period has three potential release dates described in the paragraphs below.

Employee Early Release

The terms of the lock-up agreements will expire as to 25% of the vested shares of common stock subject to the lock-up agreements (including shares issuable upon exercise of vested options) held by current and former employees, consultants, or advisors as of the First Early Release Triggering Day that occurs in an open trading window and where the last reported closing price of our Class A common stock on the New York Stock Exchange is at least 25% greater than the public offering price per share, as set forth on the cover page of this prospectus, for any five trading days out of the ten-consecutive full trading day period ending on the First Early Release Triggering Day, which ten-consecutive full trading day period is subject to reduction upon satisfaction of certain conditions.

Earnings-Related Release

The terms of the lock-up agreements will expire as to 25% of the vested shares of common stock subject to the lock-up agreements (including shares issuable upon exercise of vested options) held as of the Second Early Release Triggering Day that is at least 90 days following the date of this prospectus, occurs during an open trading window, and where the last reported closing price of our Class A common stock on the New York Stock Exchange is at least 25% greater than the public offering price per share, as set forth on the cover page of this prospectus, for any five trading days out of the ten-consecutive full trading day period ending on the Second Early Release Triggering Day.

Final Lock-Up Release

To the extent not released on the Employee Early Release or the Earnings-Related Release described above, all remaining shares of common stock subject to the lock-up agreements may be sold upon the earlier of (i) if the lock-up period is scheduled to end during or within five trading days prior to the closing of an open trading window, ten trading days prior to the closing of such open trading window or (ii) otherwise, 181 days after the date of this prospectus. In the event the lock-up period will end pursuant to the Blackout-Related Release, we will notify Goldman Sachs & Co. LLC and Allen & Company LLC of the date of the impending Blackout-Related Release promptly upon our determination of the date of the Blackout-Related Release and will publicly announce the date of the expected Blackout-Related Release through a major news service, or on a Form 8-K, at least two trading days in advance of such release.

The following table summarizes the potential lock-up expiration dates:

Type of Release	Conditions	Expiration Date	Shares Released
Employee Early Release	• Our Class A common stock begins trading on the New York Stock Exchange • Trading is within an open trading window • The last reported closing price of our Class A common stock on the New York Stock Exchange is at least 25% greater than the public offering price per share, as set forth on the cover page of this prospectus, for any five trading days out of the ten-consecutive full trading day period, or the Employee Early Release Conditions	The trading day immediately following the first trading day on which the Employee Early Release Conditions are met; provided that if the date of this prospectus is more than five but less than ten trading days prior to the First Early Release Triggering Day, the ten-consecutive day period shall be reduced to the amount of trading days between the date of this prospectus and the Employee Early Release	25% of the vested shares (approximately shares) subject to the lock-up agreements (including shares issuable upon exercise of vested options) held as of the date that is ten days prior to the date of this prospectus by current and former employees, consultants, and advisors, but excluding current executive officers and directors

Type of Release	Conditions	Expiration Date	Shares Released
Earnings-Related Early Release	• Our Class A common stock begins trading on the New York Stock Exchange • 90 days have elapsed since the date of this prospectus • Trading is within an open trading window • The last reported closing price of our Class A common stock on the New York Stock Exchange is at least 25% greater than the public offering price per share, as set forth on the cover page of this prospectus, for any five trading days out of the ten-consecutive full trading day period, or the Earnings-Related Release Conditions	The trading day immediately following the first trading day on which the Earnings-Related Release Conditions are met	25% of the vested shares (approximately shares) subject to the lock-up agreements (including shares issuable upon exercise of vested options) held as of the date that is ten days prior to the date of this prospectus
Blackout-Related Release	The lock-up period is scheduled to end during or within five trading days prior to the close of an open trading window	Ten trading days prior to the closing of the open trading window	All remaining shares
Final Lock-Up Release	Time-based condition	181 days after the date of this prospectus	All remaining shares

In addition, our executive officers, directors, and holders of a substantial majority of all of our capital stock and securities convertible into or exchangeable for our capital stock, except in certain cases to the extent they have otherwise signed lock-up agreements described above have entered into market standoff agreements with us under which they have agreed that, subject to certain exceptions, for a period of 180 days after the date of this prospectus, they will not, without our prior written consent, dispose of or hedge any shares or any securities convertible into or exchangeable for shares of our Class A common stock. In the event that the lock-up period under the lock-up agreements with the underwriters is subject to early termination in accordance with the terms of the lock-up agreements, as more fully described in the section titled "*Underwriting*," we would not expect to enforce such market standoff agreement from and after the early termination of such lock-up period.

Rule 144

In general, Rule 144 provides that once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares of our Class A common stock proposed to be sold for at least six months is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, Rule 144 provides that our affiliates or persons selling shares of our Class A common stock on behalf of our affiliates are entitled to sell upon expiration of the market standoff agreements and lock-up agreements described above, within any three-month period, a number of shares of our Class A common stock that does not exceed the greater of:

- 1% of the number of shares of our Class A common stock then outstanding, which will equal shares immediately after the completion of this offering; or

- the average weekly trading volume of our Class A common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales of our Class A common stock made in reliance upon Rule 144 by our affiliates or persons selling shares of our Class A common stock on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our capital stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701.

Registration Rights

Pursuant to our IRA, after the completion of this offering, the holders of up to 444,648,304 shares of our Class A common stock, or certain transferees, will be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. See the section titled "*Description of Capital Stock—Registration Rights*" for a description of these registration rights. If the offer and sale of these shares of our Class A common stock are registered, the shares will be freely tradable without restriction under the Securities Act, subject to the Rule 144 limitations applicable to affiliates, and a large number of shares may be sold into the public market.

Registration Statement

We intend to file a registration statement on Form S-8 under the Securities Act promptly after the effectiveness of this offering to register shares of our common stock subject to options outstanding, as well as reserved for future issuance, under our equity compensation plans. The registration statement on Form S-8 is expected to become effective immediately upon filing, and shares of our common stock covered by the registration statement will then become eligible for sale in the public market, subject to the Rule 144 limitations applicable to affiliates, vesting restrictions, and any applicable market standoff agreements and lock-up agreements. See the section titled "*Executive Compensation—Employee Benefit and Stock Plans*" for a description of our equity compensation plans.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF OUR CLASS A COMMON STOCK

The following is a summary of the material U.S. federal income tax consequences to "non-U.S. holders" (as defined below) of the purchase, ownership and disposition of our Class A common stock issued pursuant to this offering, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, the Treasury regulations promulgated thereunder, administrative rulings and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, which may result in U.S. federal income tax consequences different from those set forth below. We have not requested a ruling from the U.S. Internal Revenue Service, or the IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will not take a contrary position regarding the tax consequences described herein, or that any such contrary position would not be sustained by a court.

This summary does not address the tax considerations arising under the laws of any state, local or non-U.S. jurisdiction, or under U.S. federal gift and estate tax laws. In addition, this discussion does not address tax considerations applicable to a non-U.S. holder's particular circumstances or non-U.S. holders that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions (except to the extent specifically set forth below);
- persons subject to the alternative minimum tax or Medicare contribution tax on net investment income;
- tax-exempt organizations or governmental organizations;
- pension plans or tax-exempt retirement plans;
- controlled foreign corporations, passive foreign investment companies and corporations that accumulate earnings to avoid U.S. federal income tax;
- brokers or dealers in securities or currencies;
- traders in securities or other persons that elect to use a mark-to-market method of accounting for their holdings in our stock;
- persons that own, or are deemed to own, more than five percent of our capital stock (except to the extent specifically set forth below);
- certain former citizens or long-term residents of the United States;
- partnerships or entities classified as partnerships for U.S. federal income tax purposes or other pass-through entities (and investors therein);
- persons who hold our Class A common stock as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction or integrated investment;
- persons who hold or receive our Class A common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our Class A common stock being taken into account in an "applicable financial statement" (as defined in Section 451(b) of the Code);
- persons who do not hold our common stock as a capital asset within the meaning of Section 1221 of the Code; or
- persons deemed to sell our common stock under the constructive sale provisions of the Code.

In addition, if a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our Class A common stock, the tax treatment of a partner in such partnership generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships, or other entities or arrangements treated as partnerships, that hold our Class A common stock, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of the ownership and disposition of our Class A common stock.

This discussion is for informational purposes only and is not tax advice. You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership and disposition of our Class A common stock arising under the U.S. federal gift or estate tax laws or under the laws of any U.S. state or local, non-U.S. or other taxing jurisdiction or under any applicable tax treaty.

Non-U.S. Holder Defined

For purposes of this discussion, you are a "non-U.S. holder" if you are a holder of our Class A common stock and are not a partnership (or entity or arrangement treated as a partnership for U.S. federal income tax purposes) and are not, for U.S. federal income tax purposes, any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or U.S. persons, who have the authority to control all substantial decisions of the trust or (y) which has made a valid election to be treated as a U.S. person.

Distributions

We do not anticipate paying any dividends on our capital stock in the foreseeable future. However, if we do make distributions of cash or other property (other than certain pro rata distributions of our stock) on our Class A common stock, those payments will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, if any, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your basis in our Class A common stock, but not below zero, and then will be treated as gain from the sale or other disposition of property as described below under *"—Gain on Disposition of Our Class A common stock*."

Except as otherwise described below in the paragraph on effectively connected income and the sections titled "*—Backup Withholding and Information Reporting*" and "*—FATCA*," any dividend paid to you generally will be subject to U.S. withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty between the United States and your country of residence. If we or another withholding agent apply over-withholding or if a non-U.S. holder does not timely provide us with the required certification, the non-U.S. holder may be entitled to a refund or credit of any excess tax withheld by timely filing an appropriate claim with the IRS.

In order to receive a reduced treaty rate, you must provide the applicable withholding agent with an IRS Form W-8BEN, IRS Form W-8BEN-E or other appropriate version of IRS Form W-8, including any required attachments and your taxpayer identification number, certifying qualification for the reduced rate. In addition, you will be required to update such forms and certifications from time to time as required by law. If you are eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. If you hold our stock through a financial institution or other agent acting on your behalf, you will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries. You should consult your tax advisor regarding entitlement to benefits under any applicable income tax treaties.

Dividends received by you that are effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, attributable to a permanent establishment or fixed base maintained by you in the United States) are generally exempt from such withholding tax, subject to the discussions below on backup withholding and FATCA withholding. In order to obtain this exemption, you must provide us with an IRS Form W-8ECI or other applicable IRS Form W-8, including any required attachments and your taxpayer identification number, certifying qualification for the reduced rate. In addition, you will be required to update such forms and certifications from time to time as required by law. Such effectively connected dividends, although not subject to U.S. federal withholding tax, are includable on your U.S. federal income tax return and taxed to you at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. If you are a corporate non-U.S. holder, dividends you receive that are effectively connected with your conduct of a U.S. trade or business may also be subject to a branch profits tax at a rate of 30%, or such lower rate as may be specified by an applicable income tax treaty between the United States and your country of residence. You should consult your tax advisor regarding any applicable tax treaties that may provide for different rules.

Gain on Disposition of Our Class A Common Stock

Except as otherwise described below in the sections titled "*—Backup Withholding and Information Reporting*," and "*—FATCA*," you generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of our Class A common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, the gain is attributable to a permanent establishment or fixed base maintained by you in the United States);
- you are an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or other disposition occurs and other conditions are met; or
- our Class A common stock constitutes a United States real property interest by reason of our status as a "United States real property holding corporation," or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding your disposition of, or your holding period for, our Class A common stock, and, in the case where shares of our Class A common stock are regularly traded on an established securities market, you own, or are treated as owning, more than 5% of our Class A common stock at any time during the foregoing period.

In general, a corporation is a USRPHC if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax

purposes). Although there can be no assurance in this regard, we believe, and this discussion assumes, that we currently are not, and will not become, a USRPHC for U.S. federal income tax purposes. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC at some point in the future. Even if we become a USRPHC, however, as long as our Class A common stock is regularly traded on an established securities market, such Class A common stock will be treated as U.S. real property interests only if you actually or constructively hold more than five percent of such regularly traded Class A common stock at any time during the shorter of the five-year period preceding your disposition of, or your holding period for, our Class A common stock.

If you are a non-U.S. holder described in the first bullet above, you will generally be required to pay tax on the net gain derived from the sale under the same graduated U.S. federal income tax rates applicable to U.S. persons (and a corporate non-U.S. holder described in the first bullet above also may be subject to the branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty), unless otherwise provided by an applicable income tax treaty between the United States and your country of residence. If you are a non-U.S. holder described in the second bullet above, you will generally be required to pay a 30% tax (or such lower rate specified by an applicable income tax treaty between the United States and your country of residence) on the gain derived from the sale or other disposition of our stock, which gain may be offset by certain U.S. source capital losses (provided you have timely filed U.S. federal income tax returns with respect to such losses). You should consult your tax advisor regarding any applicable income tax treaty or other treaties that may provide for different rules.

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS the amount of dividends paid to you, your name and address, and the amount of tax withheld, if any. A similar report will be sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends or of proceeds on the sale or other disposition of stock made to you may be subject to information reporting and backup withholding unless you establish an exemption, for example, by properly certifying your status as a nonresident of the United States on an IRS Form W-8BEN, IRS Form W-8BEN-E or another appropriate version of IRS Form W-8. Any documentation provided to an applicable withholding agent may need to be updated in certain circumstances.

Information reporting and backup withholding at a rate of 24% under current law generally will apply to the proceeds of a sale or other disposition of our Class A common stock by a non-U.S. holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a non-U.S. holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of the proceeds from a sale or other disposition of our stock to a non-U.S. holder where the transaction is effected outside the United States through a foreign broker. However, for information reporting purposes, sales or other dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to sales or other dispositions effected through a U.S. office of a broker. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a U.S. person. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Backup withholding is not an additional tax; rather, the U.S. federal income tax liability of persons subject to backup withholding generally will be reduced by the amount of tax withheld. If withholding

results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

FATCA

Sections 1471 through 1474 of the Code, and the Treasury regulations and administrative guidance issued thereunder, or collectively, FATCA, generally impose U.S. federal withholding tax at a rate of 30% on dividends on and the gross proceeds from a sale or other disposition of our Class A common stock if paid to a "foreign financial institution" (as defined in the Code), unless otherwise provided by the Treasury Secretary or such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are non-U.S. entities with U.S. owners) or otherwise establishes an exemption. FATCA also generally imposes a U.S. federal withholding tax of 30% on dividends paid on and the gross proceeds from a sale or other disposition of our Class A common stock if paid to a "non-financial foreign entity" (as defined in the Code) unless otherwise provided by the Treasury Secretary or such entity provides the withholding agent with a certification identifying, and information with respect to, certain direct and indirect "substantial United States owners" (as defined in the Code), or substantial U.S. owners, of the entity, certifies that it does not have any such substantial U.S. owners or otherwise establishes and certifies to an exemption. The withholding provisions under FATCA generally apply to dividends on our Class A common stock. The Treasury Secretary has issued proposed regulations providing that the withholding provisions under FATCA do not apply with respect to the gross proceeds from a sale or other disposition of our Class A common stock. The preamble to such proposed regulations state that such proposed regulations may be relied upon by taxpayers until final regulations are issued. An intergovernmental agreement between the United States and your country of tax residence may modify the requirements described in this paragraph. Non-U.S. holders should consult their own tax advisors regarding the possible implications of FATCA on their investment in our Class A common stock.

The preceding discussion of material U.S. federal tax considerations is for general information only. It is not tax advice. Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state and local and non-U.S. tax consequences of purchasing, holding and disposing of our Class A common stock, including the consequences of any proposed change in applicable laws.

UNDERWRITING

We and the underwriters named below will enter into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter will severally agree to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC and Allen & Company LLC are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
Allen & Company LLC	
Wells Fargo Securities, LLC	
KeyBanc Capital Markets Inc.	
Truist Securities, Inc.	
UBS Securities LLC	
Piper Sandler & Co.	
William Blair & Company, L.L.C.	
Canaccord Genuity LLC	
Total	

The underwriters will be committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters will have an option to buy up to an additional shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We will agree that we will not (i) offer, pledge, announce the intention to sell, 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 dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our Class A common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition, or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of Class A common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of Class A common stock

or such other securities, in cash or otherwise), in each case without the prior written consent of Goldman Sachs & Co. LLC and Allen & Company LLC for a period of time up to 180 days after the date of this prospectus, other than the shares of our Class A common stock to be sold hereunder and certain other exceptions.

Our directors, our executive officers, and holders of a substantial majority of our capital stock and securities convertible into our capital stock will enter into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of time up to 180 days after the date of this prospectus, may not, without the prior written consent of Goldman Sachs & Co. LLC and Allen & Company LLC, (i) offer, pledge, announce the intention to sell, 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 shares of our Class A common stock or any securities convertible into or exercisable or exchangeable for our Class A common stock (including, without limitation, Class A common stock or such other securities which may be deemed to be beneficially owned by such directors, executive officers, and stockholders in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant), (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Class A common stock or such other securities, or (iii) publicly disclose the intention to do any of the foregoing, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Class A common stock or such other securities, in cash or otherwise.

Employee Early Release

The terms of the lock-up agreements will expire as to 25% of the vested shares of common stock subject to the lock-up agreements (including shares issuable upon exercise of vested options) held by current and former employees, consultants, or advisors as of the First Early Release Triggering Day that occurs in an open trading window and where the last reported closing price of our Class A common stock on the New York Stock Exchange is at least 25% greater than the public offering price per share, as set forth on the cover page of this prospectus, for any five trading days out of the ten-consecutive full trading day period ending on the First Early Release Triggering Day, which ten-consecutive full trading day period is subject to reduction upon satisfaction of certain conditions.

Earnings-Related Release

The terms of the lock-up agreements will expire as to 25% of the vested shares of common stock subject to the lock-up agreements (including shares issuable upon exercise of vested options) held as of the Second Early Release Triggering Day that is at least 90 days following the date of this prospectus, occurs during an open trading window, and where the last reported closing price of our Class A common stock on the New York Stock Exchange is at least 25% greater than the public offering price per share, as set forth on the cover page of this prospectus, for any five trading days out of the ten-consecutive full trading day period ending on the Second Early Release Triggering Day.

Final Lock-Up Release

To the extent not released on the Employee Early Release or the Earnings-Related Release described above, all remaining shares of common stock subject to the lock-up agreements may be sold upon the earlier of (i) if the lock-up period is scheduled to end during or within five trading days prior to the closing of an open trading window, ten trading days prior to the closing of such open trading window or (ii) otherwise, 180 days after the date of this prospectus. In the event that the lock-up period will end pursuant to the Blackout-Related Release, we will notify Goldman Sachs & Co. LLC and Allen &

Company LLC of the date of the impending Blackout-Related Release promptly upon our determination of the date of the Blackout-Related Release and will publicly announce the date of the expected Blackout-Related Release at least two trading days in advance of such release.

Prior to the offering, there has been no public market for the shares. The initial public offering price will be negotiated among the representatives and us. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be the company's historical performance, estimates of the business potential and earnings prospects of the company, an assessment of the company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We intend to apply to list the Class A common stock on the New York Stock Exchange under the symbol "BLND".

In connection with the offering, the underwriters may purchase and sell shares of Class A common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Class A common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of Class A common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the company's stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the Class A common stock. As a result, the price of the Class A common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

European Economic Area and United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a "Relevant State"), no common shares (the "Shares") have been offered or will be offered pursuant to

the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation), except that offers of Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall require the company or any Representative to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom

Each Underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to the company or the selling stockholders; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ("Companies (Winding Up and Miscellaneous Provisions) Ordinance") or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("Securities and Futures Ordinance"), or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32").

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor,

the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $.

We will agree to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors, and employees may purchase, sell, or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities, or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

LEGAL MATTERS

Wilson Sonsini Goodrich & Rosati, P.C., Palo Alto, California, which has acted as our counsel in connection with this offering, will pass upon the validity of the shares of our Class A common stock being offered by this prospectus. The underwriters have been represented by Goodwin Procter LLP, Redwood City, California.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements at December 31, 2019 and 2020, and for each of the two years in the period ended December 31, 2020, as set forth in their report. We have included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

The financial statements of Title Carve-Out, a carve-out of certain operations of Mr. Cooper Group Inc., as of December 31, 2019 and 2020, and for each of the years in the two-year period ended December 31, 2020, have been included herein and in the registration statement of which this prospectus forms a part in reliance upon the report of WithumSmith+Brown, PC, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have submitted with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of our Class A common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our Class A common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The SEC maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. We also maintain a website at www.blend.com. Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

BLEND LABS, INC.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Blend Labs, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Blend Labs, Inc. (the Company) as of December 31, 2019 and 2020, the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Adoption of New Accounting Standard

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for leases in 2020 as a result of the adoption of Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), and related amendments.

Basis for Opinion

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

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

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

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2019.
San Francisco, California
April 15, 2021

Blend Labs, Inc.
Consolidated Balance Sheets
(In thousands, except share and per share data)

	December 31, 2019	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 22,646	$ 41,092
Marketable securities	104,622	110,631
Trade and other receivables	2,903	14,981
Prepaid expenses and other current assets	14,056	19,268
Restricted cash	620	173
Total current assets	144,847	186,145
Property and equipment, net	2,961	4,594
Operating lease right-of-use assets	—	12,685
Intangible assets, net	4,137	1,208
Deferred contract costs, non-current	3,372	5,414
Restricted cash, non-current	5,196	5,023
Other non-current assets	788	676
Total assets	$ 161,301	$ 215,745
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 3,144	$ 3,437
Deferred revenue, current	12,396	13,622
Accrued compensation	3,335	9,060
Other current liabilities	2,856	8,910
Total current liabilities	21,731	35,029
Deferred rent	2,492	—
Operating lease liabilities, non-current	—	14,004
Other long-term liabilities	2,111	3,375
Total liabilities	26,334	52,408
Commitments and contingencies *(Note 7)*		
Stockholders' equity:		
Founders Convertible Preferred Stock, $0.00001 par value: 3,112,500 and 3,078,024 shares authorized as of December 31, 2019 and 2020, respectively; 3,078,024 shares issued and outstanding as of December 31, 2019 and 2020	—	—
Convertible Preferred Stock, $0.00001 par value: 350,720,876 and 381,291,209 shares authorized as of December 31, 2019 and 2020, respectively; 332,693,153 and 364,058,204 shares issued and outstanding as of December 31, 2019 and 2020 respectively; aggregate liquidation preference of $309,125 and $387,841 as of December 31, 2019 and December 31, 2020, respectively	306,820	385,225
Class A common stock, $0.00001 par value: 401,858,656 and 429,485,421 shares authorized as of December 31, 2019 and 2020, respectively; 38,695,384 and 45,116,188 shares issued and outstanding as of December 31, 2019 and 2020, respectively	—	—
Class B common stock, $0.00001 par value: 630,000,000 and 685,000,000 shares authorized as of December 31, 2019 and 2020, respectively; 78,105,374 and 98,727,364 shares issued and outstanding, including 4,068,550 and 1,486,980 shares of early exercised stock options as of December 31, 2019 and December 31, 2020, respectively	1	1
Additional paid-in capital	26,288	50,968
Accumulated other comprehensive income (loss)	93	(5)
Accumulated deficit	(198,235)	(272,852)
Total stockholders' equity	134,967	163,337
Total liabilities and stockholders' equity	$ 161,301	$ 215,745

See accompanying notes to consolidated financial statements

Blend Labs, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except per share amounts)

	Year Ended December 31,	
	2019	2020
Revenue	$ 50,671	$ 96,029
Cost of revenue	19,547	34,289
Gross profit	31,124	61,740
Operating expenses:		
Research and development	48,597	55,503
Sales and marketing	37,660	51,420
General and administrative	26,589	30,108
Total operating expenses	112,846	137,031
Loss from operations	(81,722)	(75,291)
Other income (expense), net	283	700
Loss before income taxes	(81,439)	(74,591)
Provision for income taxes	13	26
Net loss	$ (81,452)	$ (74,617)
Change in unrealized gain (loss) on marketable securities	143	(98)
Comprehensive loss	$ (81,309)	$ (74,715)
Net loss per share:		
Basic and diluted:	$ (0.83)	$ (0.63)
Weighted average shares used in calculating net loss per share:		
Basic and diluted:	98,329	118,221

See accompanying notes to consolidated financial statements

Blend Labs, Inc.
Consolidated Statements of Stockholders' Equity
(In thousands, except share data)

	Founders Preferred Stock		Convertible Preferred Stock		Common Stock Class A		Common Stock Class B		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balances as of December 31, 2018	3,112,500	$ —	248,557,257	$174,375	41,227,577	$ —	67,829,459	$ 1	$ 13,745	$ (50)	$ (116,783)	$ 71,288
Issuance of Series E Convertible Preferred Stock, net of issuance costs of $351	—	—	78,887,870	124,647	—	—	—	—	—	—	—	124,647
Conversion of convertible promissory note into Series E Convertible Preferred Stock	—	—	3,984,906	6,298	—	—	—	—	—	—	—	6,298
Issuance of Series D Convertible Preferred Stock upon exercise of Convertible Preferred Stock warrants	—	—	1,263,120	1,500	—	—	—	—	—	—	—	1,500
Conversion of Founders Preferred Stock to Class A common stock	(34,476)	—	—	—	34,476	—	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options, net of repurchases	—	—	—	—	—	—	7,709,246	—	1,432	—	—	1,432
Vesting of early exercised stock options	—	—	—	—	—	—	—	—	597	—	—	597
Vesting of performance-based Convertible Preferred Stock warrants	—	—	—	—	—	—	—	—	625	—	—	625
Stock-based compensation	—	—	—	—	—	—	—	—	9,889	—	—	9,889
Conversion of Class A to Class B common stock upon stock sales by former employees	—	—	—	—	(2,566,669)	—	2,566,669	—	—	—	—	—
Other comprehensive income (loss), net	—	—	—	—	—	—	—	—	—	143	—	143
Net loss	—	—	—	—	—	—	—	—	—	—	(81,452)	(81,452)
Balances as of December 31, 2019	3,078,024	$ —	332,693,153	$306,820	38,695,384	$ —	78,105,374	$ 1	$ 26,288	$ 93	$ (198,235)	$ 134,967

Blend Labs, Inc.
Consolidated Statements of Stockholders' Equity (Continued)
(In thousands, except share data)

	Founders Preferred Stock		Convertible Preferred Stock		Common Stock Class A		Common Stock Class B		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balances as of December 31, 2019	3,078,024	$ —	332,693,153	$306,820	38,695,384	$ —	78,105,374	$ 1	$ 26,288	$ 93	$ (198,235)	$ 134,967
Issuance of Series F Convertible Preferred Stock, net of issuance costs of $311	—	—	29,720,954	76,247	—	—	—	—	—	—	—	76,247
Issuance of Series D Convertible Preferred Stock upon exercise of Convertible Preferred Stock warrants	—	—	1,644,097	2,158	—	—	—	—	—	—	—	2,158
Issuance of common stock upon exercise of stock options, net of repurchases	—	—	—	—	—	—	18,621,990	—	4,161	—	—	4,161
Issuance of common stock upon exercise of common stock warrants	—	—	—	—	8,420,804	—	—	—	10,000	—	—	10,000
Vesting of early exercised stock options	—	—	—	—	—	—	—	—	210	—	—	210
Vesting of performance-based Convertible Preferred Stock warrants	—	—	—	—	—	—		—	185	—	—	185
Stock-based compensation	—	—	—	—	—	—	—	—	10,124	—	—	10,124
Conversion of Class A to Class B common stock upon stock sales by a former employee	—	—	—	—	(2,000,000)	—	2,000,000	—	—	—	—	—
Other comprehensive income (loss), net	—	—	—	—	—	—	—	—	—	(98)	—	(98)
Net loss	—	—	—	—	—	—	—	—	—	—	(74,617)	(74,617)
Balances as of December 31, 2020	3,078,024	$ —	364,058,204	$385,225	45,116,188	$ —	98,727,364	$ 1	$ 50,968	$ (5)	$ (272,852)	$ 163,337

See accompanying notes to consolidated financial statements

Blend Labs, Inc.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31, 2019	2020
Operating activities		
Net loss	$ (81,452)	$ (74,617)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	9,889	10,124
Depreciation and amortization	4,764	3,993
Amortization of deferred contract costs	2,266	3,648
Interest on discount on convertible note	1,248	—
Non-cash operating lease expense	—	2,354
Other	288	719
Changes in operating assets and liabilities:		
Trade and other receivables	301	(12,171)
Prepaid expenses and other assets, current and non-current	(7,133)	(6,539)
Deferred contract costs, non-current	(845)	(2,042)
Accounts payable	2,583	293
Deferred revenue	5,727	1,226
Accrued compensation	2,273	5,725
Operating lease liabilities	—	(2,573)
Other liabilities, current and non-current, and deferred rent	1,152	4,847
Net cash used in operating activities	(58,939)	(65,013)
Investing activities		
Purchases of marketable securities	(150,744)	(173,965)
Sales of marketable securities	3,498	36,746
Maturities of marketable securities	82,353	130,624
Purchases of property and equipment	(580)	(1,313)
Purchases of intangible assets	(40)	(9)
Net cash used in investing activities	(65,513)	(7,917)
Financing activities		
Repurchases of unvested early exercised stock options	(52)	(18)
Proceeds from exercises of stock options, including early exercises	1,648	4,527
Proceeds from exercises of common stock warrants	—	10,000
Proceeds from issuance of Convertible Preferred Stock, net of issuance costs	124,647	76,247
Proceeds from convertible debt	4,990	—
Proceeds from exercises of Series D Convertible Preferred Stock warrants	1,500	—
Other	(67)	—
Net cash provided by financing activities	132,666	90,756
Net increase in cash, cash equivalents, and restricted cash	8,214	17,826
Cash, cash equivalents, and restricted cash at beginning of year	20,248	28,462
Cash, cash equivalents, and restricted cash at end of year	$ 28,462	$ 46,288
Reconciliation of cash, cash equivalents, and restricted cash within the consolidated balance sheets:		
Cash and cash equivalents	$ 22,646	$ 41,092
Restricted cash	5,816	5,196
Total cash, cash equivalents, and restricted cash	$ 28,462	$ 46,288
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 8	$ 26
Supplemental disclosure of non-cash investing and financing activities:		
Vesting of early exercised stock options	$ 597	$ 210
Non-cash additions to property and equipment	$ —	$ 1,347
Property and equipment in accrued expenses	$ 38	$ 6
Right-of-use assets obtained in exchange for lease obligations	$ —	$ 1,398
Exercise of Series D Convertible Preferred Stock warrants included in prepaid expenses and other current assets	$ —	$ 2,158

See accompanying notes to consolidated financial statements

Blend Labs, Inc.
Notes to Consolidated Financial Statements

1. Description of Business and Basis of Presentation

Description of Business

Blend Labs, Inc. (the "Company") was incorporated on April 17, 2012. The Company offers a cloud-based software platform for financial services firms that is designed to power the end-to-end consumer journey for banking products. The Company's solution makes the journey from application to close fast, simple, and transparent for consumers, while helping financial services firms increase productivity, deepen customer relationships, and deliver exceptional consumer experiences.

Basis of Presentation

The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and include the consolidated accounts of Blend Labs, Inc. and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

Segment Information

The Company operates as one operating segment. The Company's chief operating decision makers are its chief executive officer and president, who review financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, and allocating resources.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make, on an ongoing basis, estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Actual results may ultimately differ from management's estimates. Such estimates include, but are not limited to, the lives of tangible and intangible assets, period of benefit for deferred contract costs, the incremental borrowing rate used to determine lease liabilities, fair value of stock-based compensation, estimates of variable consideration, standalone selling price for each deliverable included in customer contracts involving multiple performance obligations, contingencies, and income taxes.

COVID-19

The impact of the global novel coronavirus disease 2019 ("COVID-19") continues to rapidly evolve. While certain impacts of COVID-19 have been favorable to the sale of the Company's products and services, the Company does not yet know the full extent of potential impacts on its business or operations or on the global economy as a whole, particularly if the COVID-19 pandemic persists for an extended period of time. Given the uncertainty, the Company cannot reasonably estimate the impact on its future results of operations, cash flows, or financial condition. As of the date of issuance of the consolidated financial statements, the Company is not aware of any specific event or circumstance that would require it to update its estimates, judgments, or the carrying value of its assets or liabilities. These estimates may change, as new events occur and additional information is obtained and are recognized in the consolidated financial statements as soon as they become known. Actual results could differ from those estimates, and any such differences may be material to the Company's consolidated financial statements.

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

Revenue Recognition

Overview

The Company generates revenue from fees paid by its customers to access the Company's platform and to a lesser extent, from professional services related to the deployment of the platform, premium support services, and consulting services. The Company's customers have the ability to access its platform under subscription arrangements, in which customers commit to a minimum number of completed transactions at specified prices over the contract term, or under usage-based arrangements, in which customers pay a variable amount for completed transactions at specified prices. Subscription arrangements are generally non-cancelable during the contract term while usage-based arrangements generally can be terminated at any time by the customer. Under its subscription arrangements, the Company typically bills its customers for committed amounts quarterly, semi-annually, or annually in advance and for overages beyond a customer's contracted minimum number of completed transactions on a monthly or quarterly basis in arrears. For usage-based arrangements, the Company typically bills its customers for any completed transactions on a monthly basis in arrears. Revenue from usage-based arrangements represented 12% of the Company's revenue for both of the years ended 2019 and 2020. Arrangements with customers do not provide the contractual right to take possession of the Company's software at any point in time. Revenue is recognized when access to the Company's platform is provisioned to its customers for an amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

The Company adopted Accounting Standard Update ("ASU") 2014-09, *Revenue from Contracts with Customers* ("Topic 606"), as of January 1, 2019, utilizing the modified retrospective transition method.

Under Topic 606, the Company determines revenue recognition through the following steps:

- *Identification of the contract, or contracts, with a customer*—A contract with a customer exists when (i) the Company enters into an enforceable contract with a customer that defines each party's rights regarding the services to be transferred and identifies the payment terms related to these services, (ii) the contract has commercial substance, and (iii) it is determined that collection of substantially all consideration for services that are transferred is probable based on the customer's intent and ability to pay the promised consideration when it is due.
- *Identification of the performance obligations in the contract*—Performance obligations promised in a contract are identified based on the services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the services either on their own or together with other resources that are readily available from third parties or from the Company, and are distinct within the context of the contract, whereby the transfer of the services is separately identifiable from the other promises in the contract. To the extent that a contract includes multiple performance obligations, the Company applies judgment to determine whether promised services are capable of being distinct and distinct within the context of the contract. If these criteria are not met, the promised services are accounted for as a combined performance obligation. To date, the Company has concluded that promised services included in contracts with multiple performance obligations are distinct.
- *Determination of the transaction price*—The transaction price is determined based on the consideration to which the Company will be entitled in exchange for transferring services to the customer. The Company estimates and includes variable consideration for its subscription arrangements in the transaction price at contract inception to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the

uncertainty associated with the variable consideration is subsequently resolved. In estimating overage fees in subscription arrangements, the Company considers historical experience and other external factors that may impact the expectation of future completed transactions. At each reporting period, the Company assesses the expected overage fees, if any, that will be earned for the duration of the contract term. Revenue is presented net of any taxes collected from customers and remitted to governmental authorities.

- *Allocation of the transaction price to the performance obligations in the contract*—The Company allocates the transaction price to each performance obligation on a relative standalone selling price ("SSP") basis. The SSP is the price at which the Company would sell a promised service separately to a customer. In instances where the Company does not sell or price a service separately, the Company estimates the SSP by considering available information such as market conditions, internally approved pricing guidelines, and the underlying cost of delivering the performance obligation. Judgment is required to determine the SSP for each distinct performance obligation.
- *Recognition of revenue when, or as, the Company satisfies a performance obligation*—For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or at a point in time. The Company recognizes fees for subscription arrangements ratably over the non-cancelable contract term of the arrangement as subscription services are provided, beginning on the commencement date of each contract, which is the date services are made available to its customers. Access to the platform represents a series of distinct services as the Company continually provides access to the platform, and fulfills its obligation to, the customer over the non-cancelable contractual term and the customer receives and consumes the benefit of the platform throughout the contract period. The series of distinct services represents a single performance obligation that is satisfied over time. The Company recognizes fees for usage-based arrangements as the completed transactions are processed through the platform.

Professional Services Revenue

Professional services revenue consists of fees for services related to helping customers deploy, configure, and optimize the use of the Company's technology. These services include consulting, system integration, data migration, and process enhancement. The Company's professional services contracts are typically billed on a fixed price basis at the beginning of the contract term. Professional services revenue is recognized on a proportional performance basis, which measures the service hours performed to date relative to the total expected hours to completion.

Contract assets

The Company records a contract asset when revenue recognized on a contract exceeds the billings for the period. Contract assets are included in prepaid expenses and other current assets in the Company's consolidated balance sheets.

Deferred Revenue

Deferred revenue represents billings or payments received in advance of revenue recognition. Balances consist primarily of prepaid subscription services and professional and training services not yet provided as of the balance sheet dates. Amounts that will be recognized during the succeeding 12-month period are recorded as deferred revenue, current, and the remaining portion, if any, is

recorded as deferred revenue, non-current. Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 to 60 days. In instances where the timing of revenue recognition differs from the timing of invoicing, the Company has determined its contracts generally do not include a significant financing component. The primary purpose of the Company's invoicing terms is to provide customers with simplified and predictable ways of purchasing its services, not to receive financing from its customers or to provide customers with financing.

Deferred Contract Costs

The Company capitalizes incremental and recoverable costs of obtaining contracts with customers. The capitalized amounts consist primarily of sales commissions paid to the Company's sales force. Capitalized amounts also include commissions paid to employees on renewals of subscription contracts, partner referral fees, and payroll taxes.

Deferred contract costs related to new revenue contracts are amortized on a straight-line basis over an estimated period of benefit of three years. The Company determined the period of benefit by taking into consideration customer attrition and estimated technology life cycles. Deferred contract costs related to renewal contracts are not commensurate with new revenue contracts but are instead deferred and amortized on a straight-line basis over the renewal period. Amortization expense is included in sales and marketing expenses in the consolidated statements of operations and comprehensive loss.

The Company periodically evaluates whether there have been any changes in its business, market conditions, or other events which would indicate that the period of benefit should be changed or that there are potential indicators of impairment.

As of December 31, 2019 and 2020, total unamortized deferred contract costs were $6.6 million and $10.3 million, respectively. $3.2 million and $4.9 million was recorded within prepaid expenses and other current assets and $3.4 million and $5.4 million was recorded within deferred contract costs, non-current, on the consolidated balance sheets as of December 31, 2019 and 2020, respectively. The Company recorded $2.3 million and $3.6 million in amortization of deferred contract acquisition costs included in sales and marketing expenses within the statements of operations and comprehensive loss for the year ended December 31, 2019 and 2020, respectively.

Cost of Revenue

Costs of subscribed hosting, support, and professional services are expensed as incurred. Costs of subscribed hosting services and support revenue primarily consist of expenses related to hosting the Company's services and providing support to the Company's customers. These expenses are comprised of third-party web hosting costs and software licenses, customer support, and other customer related activities. Costs of professional services consists primarily of personnel and related direct costs, including employee salaries, payroll taxes, business expenses (e.g., employee travel and lodging expenses for customer projects), as well as allocated overhead.

Cash and Cash Equivalents

The Company places its cash with high credit quality and federally insured institutions. Cash with any one institution may be in excess of federally insured limits. The Company has not experienced any losses in such accounts and management believes the exposure to credit risk is not significant. The Company considers all highly liquid investments with an original maturity date of three months or less

at the time of purchase to be cash equivalents. As of December 31, 2019 and 2020, cash and cash equivalents consisted of cash, money market accounts, and highly liquid investments. The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents approximate fair value due to the short-term nature of the maturities.

Escrow or Trust Funds

The Company administers escrow and trust deposits held at third-party financial institutions representing funds received under real estate contracts, escrowed funds received under escrow agreements, and/or undisbursed amounts received for settlement of mortgage and home equity loans. Cash held by the Company for these purposes was approximately $0 and $2.0 million as of December 31, 2019 and 2020, respectively. These funds are not considered assets of the Company and, therefore, are not included in the accompanying consolidated balance sheets; however, the Company remains contingently liable for the disposition of these funds on behalf of its customers.

Marketable Securities

Marketable securities consist primarily of U.S. treasury and agency securities, commercial paper, and corporate debt securities. The Company's policy generally requires investments to be investment grade, with the primary objective of minimizing the potential risk of principal loss. The Company classifies its marketable securities as available-for-sale securities at the time of purchase and reevaluates such classification at each balance sheet date. The Company has classified its investments as current based on the nature of the investments and their availability for use in current operations.

Available-for-sale securities are recorded at fair value each reporting period. Unrealized gains and losses on these investments are reported as a separate component of accumulated other comprehensive income (loss) on the consolidated balance sheets until realized. Interest income is reported within other income on the consolidated statements of operations. The Company periodically evaluates its investments to assess whether those with unrealized loss positions are other-than-temporarily impaired. The Company considers various factors in determining whether to recognize an impairment charge, including the length of time the investment has been in a loss position, the extent to which the fair value is less than the Company's cost basis, the financial condition of the issuer and any changes thereto, changes in market interest rates and the Company's intent to sell, or whether it is more likely than not it will be required to sell the investment before recovery of the investment's cost basis. Realized gains and losses are determined based on the specific identification method and are reported in other income (expense), net in the consolidated statements of operations and comprehensive loss. The Company did not consider any of its investments to be other-than-temporarily impaired as of December 31, 2019 and 2020.

Restricted Cash

The Company has classified amounts that are not available for use in its operations as restricted cash. Restricted cash consists of collateral for letters of credit related to security deposits for its San Francisco and New York office facility lease arrangements. At December 31, 2019 and 2020, the Company had restricted cash of $5.8 million and $5.2 million, respectively. Approximately $0.6 million and $0.2 million was classified as current on the consolidated balance sheets as of December 31, 2019 and 2020, respectively.

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

Fair Value Measurement

The Company measures its cash and cash equivalents, marketable securities, trade and other receivables, accounts payable, and other current liabilities at fair value on a recurring basis. In addition, the Company measures certain other assets including intangible assets at fair value on a nonrecurring basis.

Trade and Other Receivables

The Company early adopted ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13") as of January 1, 2020. Accounts receivable are recorded at the invoice amount net of the allowance for expected credit losses. In determining the Company's estimate of reserves, it considered all expected future credit losses. Reserves for credit losses were not material for the periods presented.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Computer and software	3 years
Furniture and fixtures	5 years
Leasehold improvements	Shorter of useful life or lease term

Expenditures for maintenance and repairs are charged to expense as incurred, and major renewals and betterments are capitalized. Gains or losses on disposal of property and equipment are recognized in the period when the assets are sold or disposed of and the related cost and accumulated depreciation is removed from their respective accounts.

Software Development Costs

The Company capitalizes costs to develop software for internal use incurred during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Once an application has reached the development stage, management has authorized and committed to the funding of the software project, it is probable the project will be completed and the software will be used to perform the function intended, internal and external costs are capitalized until the application is substantially complete and ready for its intended use. There were no material qualifying costs incurred during the application development stage in any of the periods presented. Amortization expense was $3.8 million and $2.9 million for the year ended December 31, 2019 and 2020, respectively. As of December 31, 2019 and 2020, $4.0 million and $1.0 million was recorded within Intangible assets, net on the consolidated balance sheets, respectively.

Impairment of Long-Lived Assets

The Company evaluates the carrying value of long-lived assets, such as property and equipment and capitalized software development costs, whenever events or changes in circumstances occur that could impact the recoverability of the asset group to which the assets relate. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to the future estimated undiscounted cash flows expected to be generated by the asset. If such assets are

considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the asset exceeds the fair value of the asset. No impairment was recorded for the year ended December 31, 2019 and 2020.

Advertising Costs

Advertising costs are expensed as incurred. The Company recorded $4.1 million and $3.6 million in advertising expense for the year ended December 31, 2019 and 2020, respectively, as part of sales and marketing expenses in the consolidated statements of operations and comprehensive loss.

Research and Development Costs

Research and development costs within the consolidated statements of operations and comprehensive loss include personnel costs, including stock-based compensation expense associated with the Company's engineering personnel responsible for the design, development, and testing of the product, depreciation of equipment used in research and development and allocated facilities, and information technology costs. Research and development costs are expensed as incurred.

Lease Obligations

On January 1, 2020, the Company early adopted ASU 2016-02, Leases ("Topic 842"), using the modified retrospective method, which resulted in the recognition of right-of-use ("ROU") assets and lease liabilities for operating leases on the Company's consolidated balance sheets as of January 1, 2020, with no impact to its consolidated statements of operations and comprehensive loss for the year ended December 31, 2020. The prior period amounts have not been adjusted and continue to be reported in accordance with the Company's historical accounting under Topic 840, *Leases* ("Topic 840"). See further discussion of the impact of the adoption below in *Recently Adopted Accounting Standards*.

The Company measures lease liabilities based on the present value of the total lease payments not yet paid discounted based on the Company's incremental borrowing rate, which is the estimated rate the Company would be required to pay for a collateralized borrowing equal to the total lease payments over the term of the lease. The lease liability also includes expected renewals on its leases, if any. The Company measures right-of-use assets based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs the Company incurs and (iii) tenant incentives under the lease. The Company begins to recognize rent expense when the lessor makes the underlying asset available to the Company. For short-term leases, the Company records rent expense in the consolidated statements of operations and comprehensive loss on a straight-line basis over the lease term and records variable lease payments as incurred. The Company has no finance leases.

Stock-Based Compensation

The Company measures and recognizes its stock-based compensation based on estimated fair values for all stock awards. The Company estimates the fair value of stock options issued to employees on the date of grant using the Black-Scholes-Merton option pricing model, which is impacted by the estimated fair value of the Company's common stock, as well as certain assumptions including the expected volatility over the term of the option awards, the expected term of the awards, risk-free interest rates and the expected dividend yield. The Company recognizes the resulting stock-based

compensation on a straight-line basis over the requisite service period of the awards, which is generally the vesting period. The Company accounts for forfeitures as they occur.

Income Taxes

The Company accounts for income taxes using an asset and liability approach. Under this method, the Company recognizes deferred income tax assets and liabilities for the expected future tax consequences of temporary differences between the tax basis of an asset or liability and its reported amount in the consolidated financial statements, as well as from net operating loss and tax credit carryforwards. Deferred tax amounts are measured using enacted statutory tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is provided against deferred tax assets that, based on all available positive and negative evidence, is not expected to be realized. Such evidence includes, but is not limited to, recent cumulative earnings or losses, expectations of future taxable income by taxing jurisdiction, the anticipated reversal or expiration dates of the deferred tax assets and tax planning strategies.

The Company recognizes tax benefits from uncertain tax positions only if it believes that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than a 50% likelihood of being sustained.

Other Income (Expense), Net

Other income (expense), net primarily consists of interest income earned from the Company's investment portfolio and interest expense.

Concentrations of Credit Risk and Significant Customers

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash, marketable securities, and trade accounts receivable. The Company maintains its cash equivalents primarily in money market funds and highly liquid investments that are issued or guaranteed by the United States government or its agencies.

The following customers comprised 10% or more of the Company's revenue for the year ended December 31, 2019 and 2020:

Customer	2019	2020
A	14%	13%
B	11%	N/A

The following customers comprised 10% or more of the Company's trade receivables as of December 31, 2019 and 2020:

Customer	2019	2020
A	45%	34%
B	14%	N/A
C	N/A	11%

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

Deferred Offering Costs

Deferred offering costs consist primarily of accounting, legal, and other fees related to the Company's proposed initial public offering ("IPO"). The deferred offering costs will be offset against IPO proceeds upon the consummation of the IPO. In the event the offering is aborted, deferred offering costs will be expensed. As of December 31, 2020, deferred offering costs were immaterial, and are included in other non-current assets on the consolidated balance sheets.

JOBS Act Accounting Election

As an emerging growth company ("EGC"), the Jumpstart Our Business Startups Act ("JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act). The Company intends to use this extended transition period under the JOBS Act until such time as the Company is no longer considered to be an EGC. The adoption dates discussed below reflect this election.

Recently Issued Accounting Standards Not Yet Adopted

In December 2019, the Financial Accounting Standards Board ("FASB") issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740).* The standard issued guidance on the accounting for income taxes that, among other provisions, eliminates certain exceptions to existing guidance related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. This guidance also requires an entity to reflect the effect of an enacted change in tax laws or rates in its effective income tax rate in the first interim period that includes the enactment date of the new legislation, aligning the timing of recognition of the effects from enacted tax law changes on the effective income tax rate with the effects on deferred income tax assets and liabilities. Under existing guidance, an entity recognizes the effects of the enacted tax law change on the effective income tax rate in the period that includes the effective date of the tax law. The guidance is effective for the Company for annual reporting periods, and interim reporting periods within those annual periods, beginning January 1, 2022, and early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)*. The guidance simplifies the accounting for convertible debt instruments and convertible preferred stock by removing the existing guidance in Accounting Standards Codification ("ASC") 470-20 that requires entities to account for beneficial conversion features and cash conversion features in equity, separately from the host convertible debt or preferred stock. The guidance is effective for the Company for annual reporting periods, and interim reporting periods within those annual periods, beginning January 1, 2024, and early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

Recently Adopted Accounting Standards

Topic 842 requires lessees to record on their balance sheets a lease liability for the obligation to make lease payments and an operating lease ROU asset for the right to use the underlying asset for the

lease term. The Company early adopted Topic 842 as of January 1, 2020 and elected not to restate comparative periods presented in the consolidated financial statements. The Company elected the practical expedients permitted under the transition guidance, which allowed the Company to carryforward its historical lease classification, its assessment of whether a contract was or contains a lease, and its initial direct costs for any leases that existed prior to January 1, 2020. The Company also elected to combine its lease and non-lease components for its facility leases. The Company has elected not to recognize lease liabilities and ROU assets for short-term leases, which are leases with initial terms of 12 months or less and for which there is not a purchase option that is reasonably certain to be exercised. All leases are classified as operating leases.

Upon early adoption of Topic 842 on January 1, 2020, the Company recorded ROU assets and lease liabilities of $13.6 million and $16.4 million, respectively, on the consolidated balance sheets. The difference between the ROU assets and lease liabilities is the unamortized balance of deferred rent, which prior to January 1, 2020, was included as a separate liability within accrued expenses and other liabilities and deferred rent. The Company adopted Topic 842 using the Comparatives Under 840 Option, under which the Company does not restate any prior periods and continues to apply ASC 840 in the comparative period. The Company has included the disclosures required by ASU 2016-02 in “Note 7—Commitments and Contingencies”.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The standard requires an entity to utilize a new impairment model known as the current expected credit loss (“CECL”) model to estimate its lifetime “expected credit loss” and record an allowance that, when deducted from the amortized cost basis of the financial asset, presents the net amount expected to be collected on the financial asset. The CECL model is expected to result in more timely recognition of credit losses. This guidance also requires new disclosures for financial assets measured at amortized cost, loans and available-for-sale debt securities. Entities will apply the standard’s provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted. The standard is effective for the Company beginning January 1, 2023. The Company early adopted the standard effective January 1, 2020 and the adoption of this standard did not have a material impact to the Company’s consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The amendments in this update align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). The standard is effective for the Company beginning January 1, 2021, and early adoption is permitted. The Company early adopted effective January 1, 2020 and the adoption of this standard did not have a material impact to the Company’s consolidated financial statements.

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

3. Revenue Recognition

Disaggregation of Revenue

The following table provides information about disaggregated revenue from customers for the years ended December 31, 2019 and 2020 (in thousands):

	Year Ended December 31,	
	2019	2020
Platform services	$ 46,644	$ 92,685
Professional services	4,027	3,344
Total revenue	$ 50,671	$ 96,029

Contract Balances

The following table provides information about receivables, contract assets, and contract liabilities from contracts with customers as of December 31, 2019 and 2020 (in thousands):

Contract Accounts	Balance Sheet Line Reference	2019	2020
Contract assets—current	Prepaid expenses and other current assets	$ 7,935	$ 7,079
Contract liabilities—current	Deferred revenue, current	$ (12,396)	$ (13,622)

The Company recognized all amounts included in deferred revenue as of December 31, 2019, during the year ended December 31, 2020. There was no long-term deferred revenue as of December 31, 2019 and 2020. During the year ended December 31, 2020, the Company recognized approximately $11.4 million of revenue from performance obligations satisfied in previous periods due to changes in the transaction price, including changes in the estimate of variable consideration that were not probable of resulting in a significant reversal of revenue.

Remaining Performance Obligations

Transaction price allocated to the remaining performance obligation, referred to by the Company as remaining performance obligations, represents contracted revenue that has not yet been recognized, which includes unearned revenue and unbilled amounts that will be recognized as revenue in future periods. Transaction price allocated to the remaining performance obligation represents contracted revenue and estimated revenue from variable consideration. Unbilled portions of the remaining performance obligation are subject to future economic risks including bankruptcies, regulatory changes and other market factors.

The Company excludes amounts related to performance obligations associated with usage-based contracts with termination rights and professional services.

As of December 31, 2020, total remaining performance obligations were $89.3 million, of which $59.2 million is expected to be recognized in the next twelve months and the remainder thereafter.

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

4. Marketable Securities

The carrying amount, unrealized gain, and fair value of available-for-sale debt securities by major security type are as follows (in thousands):

	December 31, 2019			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Cash equivalents:				
Money market funds	$ 352	$ —	$ —	$ 352
Commercial paper	1,000	—	—	1,000
U.S. treasury and agency securities	10,816	1	—	10,817
Debt securities	2,501	—	—	2,501
Total cash equivalents	14,669	1	—	14,670
Marketable securities:				
U.S. treasury and agency securities	6,306	—	—	6,306
Debt securities	98,224	92	—	98,316
Total marketable securities	104,530	92	—	104,622
Total	$119,199	$ 93	$ —	$119,292

	December 31, 2020			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Cash equivalents:				
Money market funds	$ 24,036	$ —	$ —	$ 24,036
Commercial paper	1,150	—	—	1,150
U.S. treasury and agency securities	—	—	—	—
Debt securities	—	—	—	—
Total cash equivalents	25,186	—	—	25,186
Marketable securities:				
U.S. treasury and agency securities	89,342	5	(5)	89,342
Commercial paper	2,848	—	—	2,848
Debt securities	17,774	—	(6)	17,768
Certificates of deposit	673	—	—	673
Total marketable securities	110,637	5	(11)	110,631
Total	$135,823	$ 5	$ (11)	$135,817

All marketable securities classified as available-for-sale at December 31, 2019 and 2020 were due within one year. As of December 31, 2019 and 2020, marketable securities individually and in the aggregate in an unrealized loss position were immaterial.

The Company determines realized gains or losses on the sale of equity and debt securities on a specific identification method. The Company did not recognize any impairment losses during the year ended December 31, 2019 and 2020, respectively.

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

5. Fair Value of Assets and Liabilities

The Company reports assets and liabilities recorded at fair value on the Company's consolidated balance sheets based upon the level of judgment associated with inputs used to measure their fair value. The categories are as follows:

Level 1—Observable inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs are quoted prices for similar assets and liabilities in active markets or inputs other than quoted prices which are observable for the assets or liabilities, either directly or indirectly through market corroboration, for substantially the full term of the financial instruments.

Level 3—Unobservable inputs which are supported by little or no market activity and which are significant to the fair value of the assets or liabilities. These inputs are based on the Company's assumptions used to measure assets and liabilities at fair value and require significant management judgment or estimation.

The following table presents information about the Company's financial assets measured at fair value on a recurring basis based on the fair value hierarchy (in thousands):

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 352	$ —	$ —	$ 352
Commercial paper	—	1,000	—	1,000
U.S treasury and agency securities	—	10,817	—	10,817
Debt securities	—	2,501	—	2,501
Marketable securities:				
U.S treasury and agency securities	—	6,306	—	6,306
Debt securities	—	98,316	—	98,316
Total	$ 352	$ 118,940	$ —	$ 119,292

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 24,036	$ —	$ —	$ 24,036
Commercial paper	—	1,150	—	1,150
Marketable securities:				
U.S. treasury and agency securities	—	89,342	—	89,342
Commercial paper	—	2,848	—	2,848
Debt securities	—	17,768	—	17,768
Certificate of deposit		673	—	673
Total	$ 24,036	$ 111,781	$ —	$ 135,817

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

6. Significant Balance Sheet Components

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	As of December 31,	
	2019	2020
Contract assets	$ 7,935	$ 7,079
Deferred contract costs	3,253	4,855
Preferred stock warrant exercise receivable	—	2,158
Other prepaid expenses and other current assets	2,868	5,176
Total prepaid expenses and other current assets	$14,056	$19,268

Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	As of December 31,	
	2019	2020
Computer and software	$ 1,782	$ 2,277
Furniture and fixtures	660	1,094
Leasehold improvements	2,722	4,455
Property and equipment, gross	5,164	7,826
Accumulated depreciation and amortization	(2,203)	(3,232)
Total property and equipment, net	$ 2,961	$ 4,594

Depreciation expense for the year ended December 31, 2019 and 2020 was $1.0 million and $1.1 million, respectively.

Intangible Assets, Net

Intangible assets subject to amortization consisted of the following (in thousands):

	As of December 31,	
	2019	2020
Capitalized software development costs	$11,391	$ 11,391
Domain name	201	210
Less: accumulated amortization	(7,455)	(10,393)
Total intangible assets, net	$ 4,137	$ 1,208

The domain name asset is amortized on a straight-line basis over its estimated useful life of 15 years and capitalized software development costs are amortized over 3 years. Amortization expense of intangible assets for the year ended December 31, 2019 and 2020 was $3.8 million and $2.9 million, respectively.

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

Total future amortization expense as of December 31, 2020 was as follows (in thousands):

Year ending December 31,	Amount
2021	$ 1,064
2022	17
2023	17
2024	17
2025	17
Thereafter	76
Total future amortization expense	$ 1,208

Other Current Liabilities

Other current liabilities consisted of the following (in thousands):

	As of December 31,	
	2019	2020
Accrued expenses	$2,542	$6,011
Operating lease liabilities, current portion	—	2,580
Other	314	319
Total other current liabilities	$2,856	$8,910

7. Commitments and Contingencies

Operating Leases

The Company leases its facilities under non-cancelable operating leases with various expiration dates. Leases may contain escalating payments. Outstanding standby letters of credit related to the Company's office lease facilities as of December 31, 2020 were $5.2 million and classified as restricted cash.

In 2017, the Company entered into an eight-year lease for its San Francisco headquarters location and the lease ends in 2025. In March 2020, the Company entered into a lease agreement for approximately 15,000 square feet for office space in Thousand Oaks, California. Total lease payments under this operating lease are approximately $3.5 million and are payable over the 91-month lease term.

The Company's operating lease costs (gross lease expense) were $3.4 million in 2020. The Company's short-term lease costs were $0.2 million in 2020. The Company's variable lease costs amounted to $2.0 million in 2020. The Company received sublease income of $0.9 and $0.7 million for the year ended 2019 and 2020, respectively, which is recorded within Other income (expense), net on the consolidated statements of operations and comprehensive loss. There is no future non-cancelable sublease income remaining as of December 31, 2020.

The Company's lease agreements do not contain any residual value guarantees or material restrictive covenants.

As of December 31, 2020, the weighted average remaining operating lease term was 5.1 years. The weighted average discount rate used to estimate operating lease liabilities for leases that existed as of December 31, 2020 was 6.6%. Operating cash flows from operating leases was $3.6 million for 2020.

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

As of December 31, 2020, maturities of operating lease liabilities, which do not include short-term leases, by year are as follows (in thousands):

Year ending December 31,	Amount
2021	$ 3,577
2022	3,743
2023	3,945
2024	4,063
2025	2,945
Thereafter	1,369
Total lease payments	19,642
Less: imputed interest	(3,058)
Total operating lease liabilities	$16,584

Certain facility lease agreements contain rent holidays, allowances and rent escalation provisions. Under ASC 840, the Company recognized the related rental expense on a straight-line basis over the lease period of the facility and recorded the difference between amounts charged to operations and amounts paid as deferred rent. Rent expense was $3.6 million for the year December 31, 2019.

Future minimum lease payments by year under non-cancelable operating leases calculated under Topic 840 as of December 31, 2019 was as follows (in thousands):

Year ending December 31,	Amount
2020	$ 3,676
2021	3,305
2022	3,337
2023	3,437
2024	3,541
Thereafter	2,407
Total minimum lease payments	$19,703

Purchase Commitments

The following is a schedule of future non-cancelable purchase obligations with certain service providers as of December 31, 2020 (in thousands):

Year ending December 31,	Amount
2021	$ 8,240
2022	6,583
2023	5,303
Total	$20,126

Contingencies

From time to time, the Company has become involved in claims and other legal matters arising in the ordinary course of business. The Company investigates these claims as they arise. The Company

records a loss contingency when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. The Company also discloses material contingencies when it is believed a loss is not probable but reasonably possible. Accounting for contingencies requires the Company to use judgment related to both the likelihood of a loss and the estimate of the amount or range of loss. The Company has no material contingencies accrued for as of December 31, 2019 and 2020.

Warranties, Indemnifications, and Contingent Obligations

The Company's platform, products, and services are generally warranted to perform substantially as described in the associated documentation and to satisfy defined levels of uptime reliability. The Company historically has not incurred any material costs associated with warranties.

The Company enters into indemnification provisions under (i) its agreements with other companies in the ordinary course of business, typically with business partners, contractors, customers, and landlords and (ii) its agreements with investors. Under these provisions, the Company generally indemnifies and holds harmless the indemnified party for losses suffered or incurred by the indemnified party as a result of the Company's activities or, in some cases, as a result of the indemnified party's activities under the agreement. These indemnification provisions often include indemnifications relating to representations made by the Company with regard to intellectual property rights. These indemnification provisions generally survive termination of the underlying agreement. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions is unlimited. The Company has not incurred material costs to defend lawsuits or settle claims related to these indemnification agreements. Accordingly, the Company has no liabilities recorded for these agreements as of December 31, 2019 and 2020.

The Company has agreed to indemnify its officers and directors to the fullest extent permitted by its bylaws and the General Corporation Law of the State of Delaware for certain events or occurrences arising as a result of the officers or directors serving in such capacity. The coverage applies only to acts that occurred during the tenure of the officer or director and has an unlimited term. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited. The Company believes the estimated fair value of these indemnification agreements is minimal and has no liabilities recorded for these agreements as of December 31, 2019 and 2020.

8. Convertible Note

In February 2019, the Company entered into an unsecured convertible promissory note (the "Convertible Note") in the aggregate principal amount of $5.0 million. The Convertible Note had a maturity date of February 6, 2021 and an interest rate of four percent (4%) per annum. The Company had the right to prepay the Convertible Note, subject to consent of the majority note holders. The outstanding amount of the Convertible Note was convertible into shares of the Company's most senior series of preferred stock at a conversion price equal to the lesser of 80% of the lowest cash price paid per share by the investors in the next equity financing round or the quotient resulting from dividing $750 million by the fully diluted capitalization immediately prior to the closing of a qualifying transaction.

In May 2019, the Convertible Note was converted to 3,984,906 shares of Series E Convertible Preferred Stock upon the closing of the Company's Series E Convertible Preferred Stock financing.

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

The aggregate principal and accrued interest in the amount of $5.1 million was reclassified into Convertible Preferred Stock upon conversion of the Convertible Note. The Company recorded an additional $1.2 million of interest expense for a beneficial conversion feature resulting from the discount of the conversion price, which was also recorded to Series E Convertible Preferred Stock upon conversion, in addition to the aggregate principal and accrued interest amounts.

9. Convertible Preferred Stock

Authorized shares of Convertible Preferred Stock below do not include 3,078,024 of Founders Convertible Preferred Stock. The preferred stock authorized may be issued from time to time in one or more series.

The designated series are as follows:

	December 31, 2019			
	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value (in thousands)	Aggregate Liquidation Preference (in thousands)
Series A	46,449,990	46,449,990	$ 6,081	$ 6,107
Series B	36,541,344	36,541,344	10,642	10,975
Series B-1	25,148,427	25,148,427	9,927	10,000
Series C	46,751,157	46,751,157	37,923	38,000
Series D	100,002,337	94,929,459	111,302	112,732
Series D-1	12,953,178	—	—	—
Series E	82,874,443	82,872,776	130,945	131,311
	350,720,876	332,693,153	$ 306,820	$ 309,125

	December 31, 2020			
	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value (in thousands)	Aggregate Liquidation Preference (in thousands)
Series A	46,449,990	46,449,990	$ 6,081	$ 6,107
Series B	36,541,344	36,541,344	10,642	10,975
Series B-1	25,148,427	25,148,427	9,927	10,000
Series C	46,751,157	46,751,157	37,923	38,000
Series D	100,002,337	94,929,459	111,302	112,732
Series D-1	12,953,178	1,644,097	2,158	2,158
Series E	82,872,776	82,872,776	130,945	131,311
Series F	30,572,000	29,720,954	76,247	76,558
	381,291,209	364,058,204	$ 385,225	$ 387,841

From May to September 2019, the Company completed a closing of its Series E Convertible Preferred Stock financing. In connection with the financing, the Company authorized 82,874,443 shares of Series E Convertible Preferred Stock to be issued at a price of $1.584494 per share. Each share is convertible into fully paid shares of Class A common stock on a one-for-one basis. The Company issued 78,887,870 shares of Series E Convertible Preferred Stock at $1.584494 per share for total cash proceeds of $124.6 million, net of closing costs of $0.4 million. In addition, the Convertible Note

(see Note 8) was converted into 3,984,906 shares of Series E Convertible Preferred Stock for $6.3 million.

During 2019, a holder of Founders Convertible Preferred Stock converted 34,476 shares to Class A Common Stock, which were then sold as part of the secondary sale (see Note 12).

During 2020, the Company completed a closing of its Series F Convertible Preferred Stock financing. In connection with the financing, the Company authorized up to 30,572,000 shares of Series F Convertible Preferred Stock to be issued at a price of $2.575906 per share. Each share is convertible into fully paid shares of Class A common stock on a one-for-one basis. The Company issued 29,720,954 shares of Series F Convertible Preferred Stock at $2.575906 per share for total cash proceeds of $76.2 million, net of closing costs of $0.3 million.

The rights, preferences and privileges of the holders of the Founders Convertible Preferred Stock (Founders Preferred), Series A Convertible Preferred Stock (Series A), the Series B Convertible Preferred Stock (Series B), Series B-1 Convertible Preferred Stock (Series B-1), Series C Convertible Preferred Stock (Series C), Series D Convertible Preferred Stock (Series D), Series D-1 Convertible Preferred Stock (Series D-1), Series E Convertible Preferred Stock (Series E), and Series F Convertible Preferred Stock (Series F) are as follows:

Voting

All preferred shareholders of Series A, Series B, Series B-1, Series C, Series D, Series D-1, Series E, Series F, and Founders Preferred (collectively, Preferred Stock) have the right to the number of votes into which such Preferred Stock could then be converted into Class A common shares. Class A common shares have ten times the voting power of Class B common shares. Class B common shareholders have the right to one vote per Class B common share held.

Dividends

The holders of Series A, Series B, Series B-1, Series C, Series D, Series D-1, Series E, Series F (collectively, Senior Preferred), and Founders Preferred shall be entitled to receive, on an equal priority and pari passu basis, a 6% noncumulative dividend, when and if declared by the Company's Board of Directors. No dividends shall be paid on the common stock unless the Company shall also declare and pay a dividend to the holders of the Senior Preferred in priority to any dividend declared and paid to the holders of common stock.

The Company has never declared or paid any cash dividends and does not presently plan to pay cash dividends in the foreseeable future.

Liquidation Preference

In the event of any liquidation including deemed liquidation events, dissolution, winding up of the Company, either voluntary or involuntary, the holders of Senior Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company and proceeds of the liquidation transaction to the holders of common stock and Founders Preferred, by reason of their ownership thereof, an amount per share equal to the sum of the applicable original issue price for such series of Senior Preferred, plus declared but unpaid dividends on such share. The Senior Preferred shall be entitled to be paid out their liquidation preference on an equal priority and pari passu basis.

If, upon the occurrence of such event, the assets distributed among the holders of Senior Preferred are insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets of the Company and proceeds from the Liquidation Transaction legally available for distribution are distributed ratably among the holders of Senior Preferred in proportion to the full preferential amount each such holder is otherwise entitled to receive. All deemed liquidation events that may result in the preferred stock being redeemed for cash are subject to vote or approval by the board of directors which is controlled by the common stockholders.

Conversion

Each share of Preferred Stock is convertible at the option of the holder, into fully paid shares of Class A common stock determined by dividing the original issue price for such series by the conversion price applicable to such series, subject to certain anti-dilution adjustments. The initial conversion price shall be $0.10 per share for the Founders Preferred, $0.131464 per share for the Series A, $0.300347 per share for the Series B, $0.397639 per share for the Series B-1, $0.812814 per share for the Series C, $1.187535 per share for the Series D, $1.312419 for the Series D-1, $1.584494 for the Series E, and $2.575906 for the Series F. Each share of Preferred Stock will convert into Class A common stock on a one-for-one basis.

Each share of Preferred Stock shall automatically be converted into shares of Class A common stock at the conversion rate then in effect for such series of Preferred Stock immediately upon the earlier of (i) the Company's sale of its common stock in a public offering pursuant to a registration statement on Form S-1 under the Securities Act of 1933, as amended (the "Securities Act") which results in a price per share of not less than $2.575906 and aggregate cash proceeds to the Company of not less than $50.0 million (net of underwriting discounts and commissions) (a "Qualified IPO") or (ii) the date specified by vote or written consent of the holders of a majority of the then outstanding shares of Preferred Stock, voting together as a single class and not as separate series on an as converted to common stock basis.

10. Warrants

Convertible Preferred Stock Warrants

In March 2018, the Company issued five performance-based warrant awards to purchase up to 6,335,998 shares of Series D Preferred Stock and 12,953,178 shares of Series D-1 Preferred Stock to the same investor. These awards vest upon satisfaction of certain customer referrals and referred revenue targets. All warrants expire in March 2021. In March 2019, 1,263,120 Series D warrants were exercised at a price of $1.187535 per share resulting in the issuance of additional Series D Preferred Stock with $1.5 million in total proceeds.

In December 2020, 1,644,097 Series D-1 warrants were exercised at a price of $1.312419 per share resulting in $2.2 million in total proceeds.

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

A summary of the convertible preferred stock warrants as of December 31, 2019 is as follows:

Series	Warrants Issued	Warrants Outstanding	Exercise Price	Warrants Vested and Exercisable at December 31, 2019	Warrants Vested and Expected to Vest
Series D	2,526,240	1,263,120	$ 1.187535	1,263,120	1,263,120
Series D	3,809,758	3,809,758	$ 0.762929	—	—
Series D-1	12,953,178	12,953,178	$ 1.312419	4,916,369	6,584,928

A summary of the convertible preferred stock warrants as of December 31, 2020 is as follows:

Series	Warrants Issued	Warrants Outstanding	Exercise Price	Warrants Vested and Exercisable at December 31, 2020	Warrants Vested and Expected to Vest
Series D	2,526,240	1,263,120	$ 1.187535	1,263,120	1,263,120
Series D	3,809,758	3,809,758	$ 0.762929	—	—
Series D-1	12,953,178	11,309,081	$ 1.312419	4,302,315	4,940,831

Common Stock Warrants

In October 2017, the Company entered into an agreement pursuant to which the Company issued a warrant to a customer to purchase up to 8,420,804 shares of the Company's Class A common stock. During the year ended December 31, 2020, the warrant was exercised in full for total proceeds to the Company of $10.0 million. No warrants to purchase common stock were outstanding as of December 31, 2020.

11. Common Stock

As of December 31, 2019, the Company had authorized 401,858,656 and 630,000,000 shares of par value $0.00001 Class A and Class B common stock, respectively; and 38,695,384 of Class A shares and 78,105,374 of Class B shares were issued and outstanding, respectively. As of December 31, 2020, the Company had authorized 429,485,421 and 685,000,000 shares of par value $0.00001 Class A and Class B common stock, respectively; and 45,116,188 of Class A shares and 98,727,364 of Class B shares were issued and outstanding, respectively. Common stockholders are entitled to dividends if and when declared by the Company's Board of Directors. The Company has never declared or paid any cash dividends and does not presently plan to pay cash dividends in the foreseeable future.

During the year ended December 31, 2019, upon stock sales by a former employee, 2,566,669 shares of Class A common stock were converted to 2,566,699 shares of Class B common stock. During the year ended December 31, 2020, upon stock sales by a former employee, 2,000,000 shares of Class A common stock were converted to 2,000,000 shares of Class B common stock.

12. Stock Option Plan

Stock Option Plan

Effective May 1, 2012, the Company adopted the 2012 Stock Plan (the "2012 Plan"). As of December 31, 2020, the Company's board of directors had authorized 188,248,964 shares of Class B

common stock to be reserved for grants under the 2012 Plan. As of December 31, 2020, 22,249,104 shares of Class B common stock options were available for issuance under the 2012 Plan. Options granted under the 2012 Plan may be either incentive stock options or nonqualified stock options. Incentive stock options (ISOs) may be granted only to employees (including officers and directors). Non-qualified stock options (NSOs) may be granted to employees and consultants. The exercise price of ISOs and NSOs shall not be less than 100% of the estimated fair value of the common shares on the date of grant, respectively, as determined by the Company's board of directors. The exercise price of an ISO granted to a 10% or greater stockholder shall not be less than 110% of the estimated fair value of the common shares on the date of grant. Options generally vest over a period of four years. However, in the year ended December 31, 2019, the Company granted 14,389,412 stock options to an executive with a vesting term of 7 years.

A summary of the activity under the 2012 Plan is set forth as follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value (in thousands)
Balance as of January 1, 2019:	74,680,045	$ 0.22	—	$ 15,417
Granted	50,025,504	$ 0.68		
Exercised	(7,914,747)	$ 0.21		
Cancelled and forfeited	(11,162,191)	$ 0.28		
Balance as of December 31, 2019	105,628,611	$ 0.43	8.19	$ 44,962
Granted	23,521,500	$ 0.95		
Exercised	(18,877,430)	$ 0.24		
Cancelled and forfeited	(9,021,781)	$ 0.57		
Balance as of December 31, 2020	101,250,900	$ 0.58	7.95	$ 175,444
Vested and exercisable as of December 31, 2019	35,489,095	$ 0.21	6.19	$ 23,180
Vested and exercisable as of December 31, 2020	41,024,789	$ 0.37	6.74	$ 79,457

The weighted average grant-date fair value of options granted during the year ended December 31, 2019 and 2020 was $0.35 and $0.62 per share, respectively. The aggregate intrinsic value of options exercised during the year ended December 31, 2019 and 2020 was $5.2 million and $39.1 million, respectively.

Early Exercise of Common Stock Options

The Company's board of directors authorized certain stock option holders to exercise unvested options to purchase shares of Class B common stock. Shares received from such early exercises are subject to repurchase in the event of the optionee's termination of service as a service provider (as defined in the 2012 Plan), at the original issuance price, until the options are fully vested. As of December 31, 2019 and 2020, 668,550 shares and 486,980 shares of Class B common stock were subject to repurchase, respectively. As of December 31, 2019 and 2020, the cash proceeds received for unvested shares of Class B common stock recorded within Other long-term liabilities in the consolidated balance sheets was $0.2 million and $0.3 million, respectively.

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

Stock-Based Compensation

The estimated grant date fair values of the employee stock options granted during the year ended December 31, 2019 and 2020 were calculated using the Black-Scholes-Merton Option pricing model, based on the following weighted average assumptions:

	Year Ended December 31,	
	2019	2020
Expected term (years)	6.24	5.90
Expected volatility	38.83%	35.14%
Risk-free interest rate	1.97%	0.58%
Expected dividend yield	—	—

Risk-Free Interest Rate. The risk-free interest rate is based on U.S. treasury zero-coupon issues with remaining terms similar to the expected term of the options at date of grant.

Expected Term. The expected term represents the period that the Company's share-based awards are expected to be outstanding. The expected term assumptions were determined based on the vesting terms, exercise terms, and contractual lives of the options.

Expected Dividend Yield. The Company has never declared or paid any cash dividends and does not plan to pay cash dividends in the foreseeable future, and, therefore, used an expected dividend yield of zero in the valuation model.

Expected Volatility. Expected volatility of the stock is based on the Company's public company peer group after consideration of their size, maturity, profitability, growth, risk, and return on investment as the Company's stock is not publicly traded. The stock volatility assumptions represent an average of the historical volatilities of the common stock of the Company's peer group.

Fair Value. The Company's board of directors and in part based upon a valuation provided by a third-party valuation firm, determined the fair value of the Company's common stock in connection with the grant of stock options and stock awards. Due to there being no public market for the Company's common stock, its board of directors considered the third-party valuation and other factors, including but not limited to, secondary sales of the Company's common stock, revenue growth, the current status of its operations, its financial condition, its stage of development, and its competition to establish the fair market value of the Company's common stock at the time of grant of the stock option or stock award.

The Company recorded total stock-based compensation expense as follows (in thousands):

	Year Ended December 31,	
	2019	2020
Cost of revenue	$ 46	$ 79
Research and development	3,431	4,250
Sales and marketing	966	3,675
General and administrative	5,446	2,120
Total	$ 9,889	$ 10,124

Included in stock-based compensation expense are amounts related to the sale of employee stock on the secondary market to existing investors at a price above fair market value at the time of the sale.

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

This results in incremental expense based on the difference between the price paid and the estimated fair value on the date of the transactions of $6.2 million, of which $4.4 million was included as part of general and administrative expense, $1.7 million as part of research and development expense, and $0.1 million as part of sales and marketing expense in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2019. Secondary stock sales resulted in incremental expense of $3.5 million, of which $0.3 million was included as part of general and administrative expense, $1.6 million as part of research and development expense, and $1.6 million as part of sales and marketing expense in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2020.

As of December 31, 2020, the total unrecognized stock-based compensation expense was approximately $23.7 million. This is expected to be recognized over a weighted average period of 3.49 years. The total fair value of shares vested during the year ended December 31, 2020 was $6.4 million.

In November 2018, an executive was issued a partial-recourse promissory note (the “Employee Note”) in the amount of $2.7 million. The Employee Note has a maturity date of November 19, 2025 and an interest rate of 3.04% per annum. The employee has the right to prepay the Employee Note at any time, without penalty. The Company recorded $2.7 million as contra-equity in 2018. An additional $0.1 million in stock-based compensation expense related to this note was recognized during the year ended December 31, 2019. There were 3,400,000 and 1,000,000 shares of unvested common stock that were exercised via the Employee Note as of December 31, 2019 and December 31, 2020, respectively.

13. Income Taxes

The total provision for income taxes consisted of the following (in thousands):

	Year Ended December 31,	
	2019	2020
Current:		
Federal	$ —	$ —
State	13	26
Total current	13	26
Deferred:		
Federal		
State	—	—
Total deferred	—	—
Total provision for income taxes	$ 13	$ 26

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

The following summarizes the differences between the income tax provision recorded by the Company and the amount computed by applying the statutory federal income tax rate of 21% to loss before income tax for the year ended December 31, 2019 and 2020 (in thousands):

	As of December 31,	
	2019	2020
Tax benefit at federal statutory rate	$(17,102)	$(15,664)
State taxes, net of federal benefit	10	21
Change in valuation allowance	16,388	16,431
Research and other credits	(1,643)	(1,245)
Stock-based compensation	1,739	572
Permanent differences	621	(89)
Total provision for income taxes	$ 13	$ 26

Deferred income taxes reflect the net tax effects of loss and credit carryforwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets are as follows (in thousands):

	As of December 31,	
	2019	2020
Deferred tax assets:		
Net operating loss carryforwards	$ 45,959	$ 65,334
Research and other credits	7,610	9,914
Fixed assets	223	—
Lease liability	—	4,287
Accruals and reserves	1,457	1,501
Stock-based compensation	150	551
Gross deferred tax assets	55,399	81,587
Less: valuation allowance	(52,536)	(73,936)
Total deferred tax assets	$ 2,863	$ 7,651
Deferred tax liabilities:		
Deferred contract costs	$ (1,547)	$ (2,608)
Fixed assets	—	(55)
Right-of-use asset	—	(3,282)
Deferred revenue	(1,316)	(1,706)
Gross deferred tax liabilities	(2,863)	(7,651)
Total net deferred taxes	$ —	$ —

A valuation allowance is provided when, based on all available positive and negative evidence, it is more likely than not that the deferred tax assets will not be realized. At December 31, 2019 and 2020, the Company maintained a full valuation allowance on its net deferred tax assets due to the history of cumulative losses.

At December 31, 2020, the Company recorded a valuation allowance of $73.9 million. The valuation allowance on the net deferred tax assets increased by $21.4 million during 2020. The increase in the

valuation allowance is mainly due to an increase in deferred tax assets resulting from net operating losses in 2020.

At December 31, 2020, the Company had net operating loss ("NOL") carryforwards for federal and state income tax purposes of approximately $252.7 million and $145.9 million, respectively, available to reduce future taxable income. The federal net operating losses generated before 2018 will begin to expire in 2032. The federal net operating losses generated in and after 2018 may be carried forward indefinitely. The state NOL carryforwards vary by state and begin to expire in 2024.

At December 31, 2020, the Company had $7.6 million of federal research credit carryforwards which will begin to expire in 2033 and state research credit carryforwards of $6.5 million which have no expiration date.

The Company files U.S. federal and state income tax returns with varying statutes of limitations. Due to the Company's net operating losses and tax credit carryforwards, all years remain subject to future examination by tax authorities.

Utilization of the net operating loss and tax credit carryforwards may be subject to annual limitations due to the ownership change limitation provided by the Internal Revenue Code of 1986, as amended, and similar state provisions. Events which may cause limitations in the amount of the NOLs that the Company may use in any one year include, but are not limited to, a cumulative ownership change of more than 50% over a three-year period. Any annual limitations may result in the expiration of NOL and credits before they are able to be utilized.

As of December 31, 2020, the Company had $4.2 million of unrecognized tax benefits, none of which, if recognized, would impact the effective tax rate. The Company's policy is to include interest and penalties related to unrecognized tax benefits within the provision for income taxes. Interest and penalties were not significant during the years ended December 31, 2019 and 2020. The Company does not expect any material changes to its unrecognized tax benefits within the next twelve months.

The following table reflects the changes in the Company's unrecognized tax benefits (in thousands):

	Year Ended December 31,	
	2019	2020
Beginning Balance	$ 1,146	$ 3,167
Gross increases—tax positions in prior periods	703	—
Gross increases—tax positions in current periods	1,318	1,188
Gross decreases—tax positions in prior periods	—	(200)
Ending balance	$ 3,167	$ 4,155

In March 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, permits NOL carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. The Company is currently evaluating the impact of the CARES Act, but at present does not expect that the NOL carryback provision of the CARES Act would have a material impact.

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Notes to Consolidated Financial Statements (Continued)

14. Employee Benefit Plan

The Company maintains a 401(k) plan that covers all eligible employees in the United States. Employer matching contributions are discretionary. The Company has not matched eligible participants' 401(k) contributions to date.

15. Net Loss Per Share

The Company computes net loss per share using the two-class method required for multiple classes of common stock. The Company has two classes of authorized common stock for which voting rights differ by class.

Basic net loss per share is computed by dividing net loss attributable to each class of stockholders by the weighted average number of shares of stock outstanding during the period, adjusted for options early exercised subject to repurchase.

For the calculation of diluted net loss per share, net loss per share attributable to common stockholders for basic net loss per share is adjusted by the effect of dilutive securities, including awards under the Company's equity compensation plans. Diluted net loss per share attributable to common stockholders is computed by dividing the resulting net loss attributable to common stockholders by the weighted average number of fully diluted common shares outstanding. The Company uses the "if-converted" method for calculating any potential dilutive effect of the convertible notes on diluted net loss per share. For the periods presented, potentially dilutive shares relating to stock options, convertible preferred stock, preferred and common stock warrants, and options early exercised subject to repurchase were not included in the computation of diluted net loss per share as the effect of including these shares in the calculation would have been anti-dilutive.

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Notes to Consolidated Financial Statements (Continued)

The following table presents the calculation of basic and diluted net loss per share (in thousands, except per share data):

	Year ended December 31, 2019		Year ended December 31, 2020	
	Class A Common	Class B Common	Class A Common	Class B Common
Numerator:				
Net loss	$ (32,702)	$ (48,750)	$ (24,486)	$ (50,131)
Net loss attributable to common stockholders	$ (32,702)	$ (48,750)	$ (24,486)	$ (50,131)
Denominator:				
Basic shares:				
Weighted average common shares—Basic	39,478	58,851	38,795	79,426
Diluted shares:				
Weighted average common shares—Diluted	39,478	58,851	38,795	79,426
Net loss per share attributable to common stockholders:				
Basic	$ (0.83)	$ (0.83)	$ (0.63)	$ (0.63)
Diluted	$ (0.83)	$ (0.83)	$ (0.63)	$ (0.63)

The following table sets forth the computation of basic and diluted net loss per share attributable to the Company's common stockholders (in thousands, except per share data):

	Year Ended December 31,	
	2019	2020
Net loss attributable to common stockholders	$ (81,452)	$ (74,617)
Weighted average shares used in computing net loss per share attributable to common stockholders, basic and diluted	98,329	118,221
Net loss per share attributable to common stockholders, basic and diluted	$ (0.83)	$ (0.63)

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

As the Company has reported net loss for each of the periods presented, all potentially dilutive securities are antidilutive. The following potential outstanding shares of common stock were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been antidilutive:

	Year Ended December 31,	
	2019	2020
Outstanding stock options	105,628,611	101,250,900
Early exercised options subject to repurchase	668,550	486,980
Options exercised via promissory note	12,000,000	12,000,000
Common stock warrants	8,420,804	—
Convertible preferred stock warrants	18,026,056	16,381,959
Founders preferred stock	3,078,024	3,078,024
Convertible preferred stock	332,693,153	364,058,204
Total anti-dilutive securities	480,515,198	497,256,067

16. Subsequent Events

The Company evaluated its December 31, 2020 consolidated financial statements for subsequent events through April 15, 2021, the date the consolidated financial statements were issued.

In January 2021, the Company made a $3.0 million investment in a privately-held company via a convertible promissory note. Interest accrues at 2% per annum and outstanding principal and accrued interest is due and payable at the earliest of (i) 60 months from the execution of the note, (ii) an initial public offering, or (iii) change in control, unless otherwise converted to shares of the investee.

In January 2021, the Company's board of directors approved the amendment of the Company's certificate of incorporation and authorized increases to the number of shares of Class A Common Stock to 596,297,578 shares, Class B Common Stock to 860,000,000 shares, and Convertible Preferred Stock to 448,698,896 shares. In addition, the Company's Board of Directors approved the creation of a new series of Convertible Preferred Stock designated as Series G Convertible Preferred Stock, consisting of 68,258,733 authorized shares. In January through March 2021, the Company issued an aggregate of 67,255,705 shares of Series G Convertible Preferred Stock at a price of $4.609274 per share for total proceeds of approximately $310.0 million. Each share is convertible into fully paid shares of Class A common stock on a one-for-one basis. In addition, the Company's Board of Directors approved a secondary sale of an aggregate of 1,003,024 shares of the Company's Founders Preferred Stock at a price per share of $4.609274 to the new Series G investors, and upon the effectiveness of the sale, the shares sold were exchanged with the Company for an equal number of shares of Series G Convertible Preferred stock. There were no proceeds to the Company in connection with the secondary sale of Founders Preferred Stock and related exchange into Series G Convertible Preferred Stock.

In January 2021, the Company's board of directors approved a third-party tender offer, which allowed for eligible option holders and stockholders to sell shares of capital stock to the Series G investors. The third-party tender offer was completed in March 2021, in which an aggregate of 1,327,416 shares of common stock and convertible preferred stock were purchased from participating stockholders and option holders.

Blend Labs, Inc.
Notes to Consolidated Financial Statements (Continued)

In March 2021, the Company's board of directors approved an amendment to one of the Company's outstanding performance-based preferred stock warrants to purchase shares of Series D-1 in which the performance period and expiration date were extended from March 2021 to September 2021. As of the modification date, there were no warrants vested and exercisable.

In March 2021, the Company entered into a definitive agreement to acquire 90.1% ownership of Title365, a title insurance agency, from Mr. Cooper Group Inc. for a purchase price of approximately $422.0 million in cash, subject to adjustments (the "Planned Acquisition"). The Company obtained a commitment letter for debt financing in the form of a $225.0 million term loan, (the "Term Loan"), and a $25.0 million revolving credit facility, (the "Revolving Credit Facility"). The Term Loan is expected to be funded at the closing of the Planned Acquisition to assist in the payment of the purchase price. The Revolving Credit Facility is expected to remain undrawn. The Term Loan and Revolving Credit Facility will mature on the date that is five years after the closing date of the Planned Acquisition. The Term Loan will not amortize and both the Term Loan and Revolving Credit Facility will accrue interest at a rate equal to the London Interbank Offer Rate for dollars, (the "LIBOR"), subject to a floor of 1.00% per annum, (the "Adjusted LIBOR"), plus 7.50% or the Alternate Base Rate, (the "ABR"), as determined by the highest of (i) the prime commercial lending rate published by the Wall Street Journal as the "prime rate", (ii) the Federal Funds Effective Rate plus 0.50% and (iii) the one-month Adjusted LIBOR plus 1.00% per annum subject to a floor of 2.00% plus 6.50%. Interest is payable in cash on a quarterly basis. In connection with the Debt Financing, the Company will issue to the debtholder a Series G Preferred Stock Warrant, or the Series G Warrant, for the purchase of up to 1,795,294 shares of Series G Convertible Preferred Stock at a price per share of $4.609274 if exercised prior to an IPO, or 1,795,294 shares of Class A Common Stock if exercised after an IPO. The Series G Warrant will expire 10 years from the issue date, which is expected to be the closing of the Planned Acquisition. The Planned Acquisition is expected to close in the second or third quarter of 2021.

In March 2021, the Company's board of directors granted to its Founder and Head of Blend a stand-alone stock option issued outside of the 2012 Plan covering a maximum of 78,171,543 shares of Class B common stock with an exercise price of $2.86 per share. The stock option grant has a 15-year term, subject to earlier termination when shares subject to the award are no longer eligible to vest, and vests upon the satisfaction of a service condition, liquidity event-related performance condition, and performance-based market conditions. If an IPO is completed within 15 months of the date of grant, 5,862,866 shares will vest. If an IPO is not achieved, or if the Company completes certain equity or debt financing events prior to an IPO, or if there is a change in control (as defined in the agreement) prior to an IPO, no shares subject to the stock option will vest, and the stand-alone stock option will immediately terminate for no consideration. The remaining tranches of shares will vest dependent on performance goals tied to the Company's stock price and specified expiration dates for each tranche. The grant had an aggregate grant date fair value of $87.6 million, of which $23.0 million is attributable to the first tranche, which would be recognized as stock-based compensation expense when the IPO condition is achieved.

Subsequent to December 31, 2020, and through April 15, 2021, the Company's board of directors granted stock options for 18,549,638 shares of Class B common stock to employees and directors with a weighted average exercise price of $2.86 per share that are subject to service-based vesting conditions. The grants had an aggregate grant date fair value of $44.5 million, which is expected to be recognized as stock-based compensation expense over approximately 4 years. These grants exclude the Founder and Head of Blend stand-alone stock option grant noted above.

Unaudited Interim Financial Statements
Blend Labs, Inc.
Consolidated Balance Sheets
(In thousands, except share and per share data)

	December 31, 2020	March 31, 2021 (unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 41,092	$ 352,311
Marketable securities	110,631	100,840
Trade and other receivables	14,981	14,848
Prepaid expenses and other current assets	19,268	18,175
Restricted cash	173	173
Total current assets	186,145	486,347
Property and equipment, net	4,594	4,529
Operating lease right-of-use assets	12,685	12,092
Intangible assets, net	1,208	692
Deferred contract costs, non-current	5,414	4,556
Restricted cash, non-current	5,023	5,023
Other non-current assets	676	6,559
Total assets	$ 215,745	$ 519,798
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 3,437	$ 3,946
Deferred revenue, current	13,622	14,399
Accrued compensation	9,060	7,256
Other current liabilities	8,910	13,634
Total current liabilities	35,029	39,235
Operating lease liabilities, non-current	14,004	13,304
Other long-term liabilities	3,375	4,796
Total liabilities	52,408	57,335
Commitments and contingencies *(Note 7)*		
Stockholders' equity:		
Founders Convertible Preferred Stock, $0.00001 par value: 3,078,024 shares authorized as of December 31, 2020 and March 31, 2021; 3,078,024 and 2,075,000 shares issued and outstanding as of December 31, 2020 and March 31, 2021, respectively	—	—
Convertible Preferred Stock, $0.00001 par value: 381,291,209 and 448,698,896 shares authorized as of December 31, 2020 and March 31, 2021, respectively; 364,058,204 and 438,542,888 shares issued and outstanding as of December 31, 2020 and March 31, 2021 respectively; aggregate liquidation preference of $387,841 and $710,477 as of December 31, 2020 and March 31, 2021, respectively	385,225	702,940
Class A common stock, $0.00001 par value: 429,485,421 and 596,297,578 shares authorized as of December 31, 2020 and March 31, 2021, respectively; 45,116,188 and 45,116,188 shares issued and outstanding as of December 31, 2020 and March 31, 2021, respectively	—	—
Class B common stock, $0.00001 par value: 685,000,000 and 860,000,000 shares authorized as of December 31, 2020 and March 31, 2021, respectively; 98,727,364 and 113,048,548 shares issued and outstanding, including 1,486,980 and 2,643,360 shares of early exercised stock options as of December 31, 2020 and March 31, 2021, respectively	1	1
Additional paid-in capital	50,968	59,431
Accumulated other comprehensive income (loss)	(5)	10
Accumulated deficit	(272,852)	(299,919)
Total stockholders' equity	163,337	462,463
Total liabilities and stockholders' equity	$ 215,745	$ 519,798

See accompanying notes to interim consolidated financial statements

Unaudited Interim Financial Statements
Blend Labs, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2020	2021
	(unaudited)	
Revenue	$ 15,603	$ 31,875
Cost of revenue	7,358	10,860
Gross profit	8,245	21,015
Operating expenses:		
Research and development	11,821	17,074
Sales and marketing	13,430	15,865
General and administrative	6,078	15,283
Total operating expenses	31,329	48,222
Loss from operations	(23,084)	(27,207)
Other income (expense), net	240	150
Loss before income taxes	(22,844)	(27,057)
Provision for income taxes	7	10
Net loss	$ (22,851)	$ (27,067)
Change in unrealized gain (loss) on marketable securities	(172)	15
Comprehensive loss	$ (23,023)	$ (27,052)
Net loss per share:		
Basic and diluted:	$ (0.21)	$ (0.20)
Weighted average shares used in calculating net loss per share:		
Basic and diluted:	110,481	135,271

See accompanying notes to interim consolidated financial statements

Unaudited Interim Financial Statements
Blend Labs, Inc.
Consolidated Statements of Stockholders' Equity
(In thousands, except share data)

	Founders Preferred Stock		Convertible Preferred Stock		Common Stock Class A		Common Stock Class B		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balances as of December 31, 2019	3,078,024	$ —	332,693,153	$306,820	38,695,384	$ —	78,105,374	$ 1	$ 26,288	$ 93	$ (198,235)	$ 134,967
Issuance of common stock upon exercise of stock options, net of repurchases	—	—	—	—	—	—	10,462,064	—	2,044	—	—	2,044
Vesting of early exercised stock options	—	—	—	—	—	—	—	—	94	—	—	94
Stock-based compensation	—	—	—	—	—	—	—	—	3,239	—	—	3,239
Other comprehensive income (loss), net	—	—	—	—	—	—	—	—	—	(172)	—	(172)
Net loss	—	—	—	—	—	—	—	—	—	—	(22,851)	(22,851)
Balances as of March 31, 2020	3,078,024	$ —	332,693,153	$306,820	38,695,384	$ —	88,567,438	$ 1	$ 31,665	$ (79)	$ (221,086)	$ 117,321

Unaudited Interim Financial Statements
Blend Labs, Inc.
Consolidated Statements of Stockholders' Equity (Continued)
(In thousands, except share data)

	Founders Preferred Stock		Convertible Preferred Stock		Common Stock Class A		Common Stock Class B		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balances as of December 31, 2020	3,078,024	$ —	364,058,204	$385,225	45,116,188	$ —	98,727,364	$ 1	$ 50,968	$ (5)	$ (272,852)	$ 163,337
Issuance of Series G Convertible Preferred Stock, net of issuance costs of $299	—	—	67,255,705	309,701	—	—	—	—	—	—	—	309,701
Exercise of convertible preferred stock warrants	—	—	6,225,955	8,014	—	—	—	—	—	—	—	8,014
Issuance of common stock upon exercise of stock options, net of repurchases	—	—	—	—	—	—	14,321,184	—	4,172	—	—	4,172
Vesting of early exercised stock options	—	—	—	—	—	—	—	—	157	—	—	157
Vesting of performance-based Convertible Preferred Stock warrants	—	—	—	—	—	—		—	118	—	—	118
Stock-based compensation	—	—	—	—	—	—	—	—	4,016	—	—	4,016
Conversion of Founders preferred stock to Series G during Series G Financing Round	(1,003,024)	—	1,003,024	—	—	—	—	—	—	—	—	—
Other comprehensive income (loss), net	—	—	—	—	—	—	—	—	—	15	—	15
Net loss	—	—	—	—	—	—	—	—	—	—	(27,067)	(27,067)
Balances as of March 31, 2021	2,075,000	$ —	438,542,888	$702,940	45,116,188	$ —	113,048,548	$ 1	$ 59,431	$ 10	$ (299,919)	$ 462,463

See accompanying notes to interim consolidated financial statements

Unaudited Interim Financial Statements
Blend Labs, Inc.
Consolidated Statements of Cash Flows
(In thousands)

	Three Months Ended March 31,	
	2020	**2021**
Operating activities		
Net loss	$ (22,851)	$ (27,067)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	3,239	4,016
Depreciation and amortization	1,206	823
Amortization of deferred contract costs	771	1,319
Non-cash operating lease expense	565	593
Other	98	481
Changes in operating assets and liabilities:		
Trade and other receivables	(4,771)	133
Prepaid expenses and other assets, current and non-current	(1,791)	(3,728)
Deferred contract costs, non-current	643	858
Accounts payable	(678)	509
Deferred revenue	2,290	777
Accrued compensation	(1,064)	(1,804)
Operating lease liabilities	(625)	(665)
Other liabilities, current and non-current	857	3,361
Net cash used in operating activities	(22,111)	(20,394)
Investing activities		
Purchases of marketable securities	(27,722)	(25,400)
Sales of marketable securities	30,447	—
Maturities of marketable securities	34,825	34,850
Purchases of property and equipment	(103)	(302)
Purchase of other investment	—	(3,000)
Net cash provided by investing activities	37,447	6,148
Financing activities		
Repurchases of unvested early exercised stock options	(16)	—
Proceeds from exercises of stock options, including early exercises	2,057	5,750
Proceeds from issuance of Convertible Preferred Stock, net of issuance costs	—	309,701
Payment of deferred offering costs	—	(158)
Proceeds from exercises of Convertible Preferred Stock warrants	—	10,172
Net cash provided by financing activities	2,041	325,465
Net increase in cash, cash equivalents, and restricted cash	17,377	311,219
Cash, cash equivalents, and restricted cash at beginning of period	28,462	46,288
Cash, cash equivalents, and restricted cash at end of period	$ 45,839	$ 357,507
Reconciliation of cash, cash equivalents, and restricted cash within the consolidated balance sheets:		
Cash and cash equivalents	$ 40,023	$ 352,311
Restricted cash	5,816	5,196
Total cash, cash equivalents, and restricted cash	$ 45,839	$ 357,507
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ —	$ 25
Supplemental disclosure of non-cash investing and financing activities:		
Vesting of early exercised stock options	$ 94	$ 157
Property and equipment in accrued expenses	$ —	$ 47
Deferred offering costs not yet paid	$ —	$ 1,381

See accompanying notes to interim consolidated financial statements

Blend Labs, Inc.
Notes to Unaudited Interim Consolidated Financial Statements

1. Description of Business and Basis of Presentation

Description of Business

Blend Labs, Inc. (the "Company") was incorporated on April 17, 2012. The Company offers a cloud-based software platform for financial services firms that is designed to power the end-to-end consumer journey for banking products. The Company's solution makes the journey from application to close fast, simple, and transparent for consumers, while helping financial services firms increase productivity, deepen customer relationships, and deliver exceptional consumer experiences.

Basis of Presentation

The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and include the consolidated accounts of Blend Labs, Inc. and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Unaudited Interim Financial Information

The accompanying interim consolidated balance sheet as of March 31, 2021, the interim consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for the three months ended March 31, 2020 and 2021 are unaudited. These unaudited interim consolidated financial statements are presented in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with U.S. GAAP.

The unaudited interim consolidated financial statements have been prepared on the same basis as the annual audited consolidated financial statements and include all normal recurring adjustments, necessary for the fair presentation of the Company's consolidated balance sheet as of March 31, 2021 and the Company's consolidated results of operations and cash flows for the three months ended March 31, 2020 and 2021. The results of operations for the three months ended March 31, 2021 are not necessarily indicative of the results to be expected for the full fiscal year or any other future interim or annual periods. The information contained within the unaudited interim consolidated financial statements should be read in conjunction with the Consolidated Financial Statements and the notes thereto included in the Company's annual financial statements for the year ended December 31, 2020.

2. Summary of Significant Accounting Policies

The Company's significant accounting policies are discussed in "Note 2. Summary of Significant Accounting Policies" in the Notes to the Consolidated Financial Statements in its Prospectus. There have been no significant changes to these policies during the three months ended March 31, 2021.

Deferred Contract Costs

The Company capitalizes incremental and recoverable costs of obtaining contracts with customers. The capitalized amounts consist primarily of sales commissions paid to the Company's sales force. Capitalized amounts also include commissions paid to employees on renewals of subscription contracts, partner referral fees, and payroll taxes.

Blend Labs, Inc.
Notes to Unaudited Interim Consolidated Financial Statements (Continued)

As of December 31, 2020 and March 31, 2021, total unamortized deferred contract costs were $10.3 million and $9.1 million, respectively. $4.9 million and $4.5 million was recorded within prepaid expenses and other current assets and $5.4 million and $4.6 million was recorded within deferred contract costs, non-current, on the consolidated balance sheets as of December 31, 2020 and March 31, 2021, respectively. The Company recorded $0.8 million and $1.3 million in amortization of deferred contract acquisition costs included in sales and marketing expenses within the statements of operations and comprehensive loss for the three months ended March 31, 2020 and 2021, respectively.

Concentrations of Credit Risk and Significant Customers

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash, marketable securities, and trade accounts receivable. The Company maintains its cash equivalents primarily in money market funds and highly liquid investments that are issued or guaranteed by the United States government or its agencies.

The following customer comprised 10% or more of the Company's revenue for the three months ended March 31, 2020 and 2021:

Customer	2020	2021
A	14%	13%

The following customers comprised 10% or more of the Company's trade receivables as of:

Customer	December 31, 2020	March 31, 2021
A	34%	21%
B	—%	23%
C	11%	—%

Deferred Offering Costs

Deferred offering costs consist primarily of accounting, legal, and other fees related to the Company's proposed initial public offering ("IPO"). The deferred offering costs will be offset against IPO proceeds upon the consummation of the IPO. In the event the offering is aborted, deferred offering costs will be expensed. As of December 31, 2020, deferred offering costs were immaterial. As of March 31, 2021, deferred offering costs were $1.5 million and are included in other non-current assets on the consolidated balance sheets.

Note Receivable

In January 2021, the Company made a $3.0 million investment in a privately-held company via a convertible promissory note. Interest accrues at 2% per annum and outstanding principal and accrued interest is due and payable at the earliest of (i) 60 months from the execution of the note, (ii) an initial public offering, or (iii) change in control, unless otherwise converted to shares of the investee. The outstanding principal and unpaid accrued interest are convertible into 4,500,000 shares of the issuer's Series Seed Preferred Stock either at the option of the issuer, upon a change in control, upon the issuer's initial public offering, or upon a qualified equity financing. The conversion option is not bifurcated from the promissory note as the option does not meet the net settlement criteria of a

derivative instrument definition due to the option not being readily convertible to cash. The Company also has a call option to merge the issuer with the Company for aggregate consideration of $500.0 million. The value of the call option was determined to be inconsequential. The note receivable is included within other non-current assets on the consolidated balance sheets.

JOBS Act Accounting Election

As an emerging growth company ("EGC"), the Jumpstart Our Business Startups Act ("JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). The Company intends to use this extended transition period under the JOBS Act until such time as the Company is no longer considered to be an EGC. The adoption dates discussed below reflect this election.

Recently Issued Accounting Standards Not Yet Adopted

In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740).* The standard issued guidance on the accounting for income taxes that, among other provisions, eliminates certain exceptions to existing guidance related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. This guidance also requires an entity to reflect the effect of an enacted change in tax laws or rates in its effective income tax rate in the first interim period that includes the enactment date of the new legislation, aligning the timing of recognition of the effects from enacted tax law changes on the effective income tax rate with the effects on deferred income tax assets and liabilities. Under existing guidance, an entity recognizes the effects of the enacted tax law change on the effective income tax rate in the period that includes the effective date of the tax law. The guidance is effective for the Company for annual reporting periods, and interim reporting periods within those annual periods, beginning January 1, 2022, and early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848)*, with amendments in 2021. This update provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by the discontinuation of London Interbank Offered Rate ("LIBOR") or by another reference rate expected to be discontinued. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)*. The guidance simplifies the accounting for convertible debt instruments and convertible preferred stock by removing the existing guidance in Accounting Standards Codification ("ASC") 470-20 that requires entities to account for beneficial conversion features and cash conversion features in equity, separately from the host convertible debt or preferred stock. The guidance is effective for the Company for annual reporting periods, and interim reporting periods within those annual periods, beginning January 1, 2024, and early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

Blend Labs, Inc.
Notes to Unaudited Interim Consolidated Financial Statements (Continued)

3. Revenue Recognition

Disaggregation of Revenue

The following table provides information about disaggregated revenue from customers for the three months ended March 31, 2020 and 2021 (in thousands):

	Three Months Ended March 31,	
	2020	2021
Platform services	$ 14,620	$ 31,083
Professional services	983	792
Total revenue	$ 15,603	$ 31,875

Contract Balances

The following table provides information about contract assets and contract liabilities from contracts with customers as of December 31, 2020 and March 31, 2021 (in thousands):

Contract Accounts	Balance Sheet Line Reference	As of December 31, 2020	As of March 31, 2021
Contract assets—current	Prepaid expenses and other current assets	$ 7,079	$ 5,767
Contract liabilities—current	Deferred revenue, current	$ 13,622	$ 14,399

During the three months ended March 31, 2020 and 2021, the Company recognized revenue of $3.8 million and $6.9 million, respectively, which was included in the deferred revenue balance as of December 31, 2019 and 2020. There was no long-term contract assets or deferred revenue as of December 31, 2020 and March 31, 2021. During the three months ended March 31, 2020 and 2021, the Company recognized approximately $0.9 million and $5.6 million, respectively, of revenue from performance obligations satisfied in previous periods due to changes in the transaction price, including changes in the estimate of variable consideration that were not probable of resulting in a significant reversal of revenue.

Remaining Performance Obligations

Transaction price allocated to the remaining performance obligations represents contracted revenue that has not yet been recognized, which includes unearned revenue and unbilled amounts that will be recognized as revenue in future periods. Transaction price allocated to the remaining performance obligations represents contracted revenue and estimated revenue from variable consideration. Amounts included in the remaining performance obligation are subject to future economic risks including bankruptcies, regulatory changes and other market factors.

The Company excludes amounts related to performance obligations associated with usage-based contracts with termination rights and professional services.

As of March 31, 2021, total remaining performance obligations were $81.6 million, of which $55.5 million is expected to be recognized in the next twelve months and the remainder thereafter.

Blend Labs, Inc.
Notes to Unaudited Interim Consolidated Financial Statements (Continued)

4. Marketable Securities

The carrying amount, unrealized gain and loss, and fair value of available-for-sale securities by major security type are as follows (in thousands):

	December 31, 2020			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Cash equivalents:				
Money market funds	$ 24,036	$ —	$ —	$ 24,036
Commercial paper	1,150	—	—	1,150
Total cash equivalents	25,186	—	—	25,186
Marketable securities:				
U.S. treasury and agency securities	89,342	5	(5)	89,342
Commercial paper	2,848	—	—	2,848
Debt securities	17,774	—	(6)	17,768
Certificates of deposit	673	—	—	673
Total marketable securities	110,637	5	(11)	110,631
Total	$135,823	$ 5	$ (11)	$135,817

	March 31, 2021			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Cash equivalents:				
Money market funds	$ 36,703	$ —	$ —	$ 36,703
Commercial paper	3,250	—	—	3,250
Total cash equivalents	39,953	—	—	39,953
Marketable securities:				
U.S. treasury and agency securities	72,559	13	—	72,572
Commercial paper	5,699	—	—	5,699
Debt securities	16,894	6	(4)	16,896
Certificates of deposit	5,673	—	—	5,673
Total marketable securities	100,825	19	(4)	100,840
Total	$140,778	$ 19	$ (4)	$140,793

All marketable securities classified as available-for-sale as of December 31, 2020 and March 31, 2021 were due within one year. As of December 31, 2020 and March 31, 2021, marketable securities in an unrealized loss position were immaterial, individually and in the aggregate.

The Company determines realized gains or losses on the sale of available-for-sale securities on a specific identification method. The Company did not recognize any impairment due to credit losses during the three months ended March 31, 2020 and 2021.

Blend Labs, Inc.
Notes to Unaudited Interim Consolidated Financial Statements (Continued)

5. Fair Value of Assets and Liabilities

The Company reports assets and liabilities recorded at fair value on the Company's consolidated balance sheets based upon the level of judgment associated with inputs used to measure their fair value. The categories are as follows:

Level 1—Observable inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs are quoted prices for similar assets and liabilities in active markets or inputs other than quoted prices which are observable for the assets or liabilities, either directly or indirectly through market corroboration, for substantially the full term of the financial instruments.

Level 3—Unobservable inputs which are supported by little or no market activity and which are significant to the fair value of the assets or liabilities. These inputs are based on the Company's assumptions used to measure assets and liabilities at fair value and require significant management judgment or estimation.

The following table presents information about the Company's financial assets measured at fair value on a recurring basis based on the fair value hierarchy (in thousands):

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$24,036	$ —	$ —	$ 24,036
Commercial paper	—	1,150	—	1,150
Marketable securities:				
U.S. treasury and agency securities	—	89,342	—	89,342
Commercial paper	—	2,848	—	2,848
Debt securities	—	17,768	—	17,768
Certificate of deposit	—	673	—	673
Total	$24,036	$111,781	$ —	$135,817

	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$36,703	$ —	$ —	$ 36,703
Commercial paper	—	3,250	—	3,250
Marketable securities:				
U.S. treasury and agency securities	—	72,572	—	72,572
Commercial paper	—	5,699	—	5,699
Debt securities	—	16,896	—	16,896
Certificate of deposit	—	5,673	—	5,673
Total	$36,703	$104,090	$ —	$140,793

Blend Labs, Inc.
Notes to Unaudited Interim Consolidated Financial Statements (Continued)

6. Significant Balance Sheet Components

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	As of December 31, 2020	As of March 31, 2021
Contract assets	$ 7,079	$ 5,767
Deferred contract costs	4,855	4,502
Preferred stock warrant exercise receivable	2,158	—
Other prepaid expenses and other current assets	5,176	7,906
Total prepaid expenses and other current assets	$ 19,268	$ 18,175

Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	As of December 31, 2020	As of March 31, 2021
Computer and software	$ 2,277	$ 2,457
Furniture and fixtures	1,094	1,264
Leasehold improvements	4,455	4,341
Property and equipment, gross	7,826	8,062
Accumulated depreciation and amortization	(3,232)	(3,533)
Total property and equipment, net	$ 4,594	$ 4,529

Depreciation expense for the three months ended March 31, 2020 and 2021 was $0.3 million and $0.3 million, respectively.

Intangible Assets, Net

Intangible assets subject to amortization consisted of the following (in thousands):

	As of December 31, 2020	As of March 31, 2021
Capitalized software development costs	$ 11,391	$ 11,391
Domain name	210	210
Less: accumulated amortization	(10,393)	(10,909)
Total intangible assets, net	$ 1,208	$ 692

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Notes to Unaudited Interim Consolidated Financial Statements (Continued)

The domain name asset is amortized on a straight-line basis over its estimated useful life of 15 years and capitalized software development costs are amortized over 3 years. Amortization expense of intangible assets for the three months ended March 31, 2020 and 2021 was $0.9 million and $0.5 million, respectively.

Total future amortization expense as of March 31, 2021 was as follows (in thousands):

Year ending December 31,	Amount
Remainder of 2021	$ 548
2022	17
2023	17
2024	17
2025	17
Thereafter	76
Total future amortization expense	$ 692

Other Current Liabilities

Other current liabilities consisted of the following (in thousands):

	As of December 31, 2020	As of March 31, 2021
Accrued expenses	$ 2,477	$ 2,866
Accrued professional fees	701	4,694
Accrued connectivity fees	2,833	3,365
Operating lease liabilities, current portion	2,580	2,615
Other	319	94
Total other current liabilities	$ 8,910	$ 13,634

7. Commitments and Contingencies

Operating Leases

The Company leases its facilities under non-cancelable operating leases with various expiration dates. Leases may contain escalating payments. Restricted cash that is not available for use in the operations consists of collateral for standby letters of credit related to the Company's office lease facilities. Restricted cash balances as of December 31, 2020 and March 31, 2021 were $5.2 million.

In 2017, the Company entered into an eight-year lease for its San Francisco headquarters location and the lease ends in 2025. In March 2020, the Company entered into a lease agreement for approximately 15,000 square feet for office space in Thousand Oaks, California. Total lease payments under this operating lease are approximately $3.5 million and are payable over the 91-month lease term.

The Company's operating lease costs (gross lease expense) were $0.8 million and $0.9 million for the three months ended March 31, 2020 and 2021, respectively. The Company's short-term lease costs for leases with the term of less than twelve months were immaterial for both periods. The Company's variable lease costs amounted to $0.5 million and $0.4 million for the three months ended March 31,

Blend Labs, Inc.
Notes to Unaudited Interim Consolidated Financial Statements (Continued)

2020 and 2021, respectively. The Company received sublease income of $0.2 million and $0 for the three months ended March 31, 2020 and 2021, respectively, which is recorded within Other income (expense), net on the consolidated statements of operations and comprehensive loss.

The Company's lease agreements do not contain any residual value guarantees or material restrictive covenants.

As of March 31, 2021, the weighted average remaining operating lease term was 4.9 years. The weighted average discount rate used to estimate operating lease liabilities for leases that existed as of March 31, 2021 was 6.6%. Operating cash flows from operating leases were $0.9 million for the three months ended March 31, 2020 and 2021.

As of March 31, 2021, maturities of operating lease liabilities, which do not include short-term leases, by year are as follows (in thousands):

Year ending December 31,	Amount
Remainder of 2021	$ 2,648
2022	3,743
2023	3,945
2024	4,063
2025	2,945
Thereafter	1,369
Total lease payments	18,713
Less: imputed interest	(2,794)
Total operating lease liabilities	$15,919

Planned Acquisition Advisory Agreement

The Company engaged a third party financial advisor to provide assistance in connection with the Planned Acquisition (see Note 8). The fee for the advisory services consists of $1.0 million due upon execution of the definitive agreement, which is reflected in general and administrative expenses in the consolidated statements of operations and comprehensive loss for the three months ended March 31, 2021. Additionally, we entered into a commitment to pay the third party financial advisor $4.0 million plus an additional discretionary fee of up to $1.0 million in an amount to be determined at the Company's sole discretion, which will be due only upon the consummation of the Planned Acquisition.

8. Planned Acquisition and Term Loan

Planned Acquisition

In March 2021, the Company entered into a definitive agreement to acquire 90.1% ownership of Title365, a title insurance agency, from Mr. Cooper Group Inc. for a purchase price of approximately $422.0 million in cash, subject to adjustments (the "Planned Acquisition"). The acquisition of Title365 will enable the Company's customers to streamline the title, settlement, and closing process at scale for mortgages, home equity lines of credit, and home equity loans. The Planned Acquisition is expected to close in the second or third quarter of 2021.

Blend Labs, Inc.
Notes to Unaudited Interim Consolidated Financial Statements (Continued)

Term Loan

In March 2021, in conjunction with the Planned Acquisition, the Company obtained a commitment letter for debt financing in the form of a $225.0 million term loan (the "Term Loan"), and a $25.0 million revolving credit facility (the "Revolving Credit Facility"). The Term Loan is expected to be funded at the closing of the Planned Acquisition to assist in the payment of the purchase price. The Revolving Credit Facility is expected to remain undrawn at the closing. The Term Loan and Revolving Credit Facility will mature on the date that is five years after the closing date of the Planned Acquisition. The Term Loan will not amortize and both the Term Loan and Revolving Credit Facility will accrue interest at a rate equal to the LIBOR for dollars, subject to a floor of 1.00% per annum, (the "Adjusted LIBOR"), plus 7.50% or the Alternate Base Rate, (the "ABR"), as determined by the highest of (i) the prime commercial lending rate published by the Wall Street Journal as the "prime rate", (ii) the Federal Funds Effective Rate plus 0.50%, and (iii) the one-month Adjusted LIBOR plus 1.00% per annum subject to a floor of 2.00% plus 6.50%. Interest is payable in cash on a quarterly basis. In connection with the debt financing, the Company will issue to the debtholder a Series G Preferred Stock Warrant for the purchase of up to 1,795,294 shares of Series G Convertible Preferred Stock if exercised prior to an IPO, or 1,795,294 shares of Class A common stock if exercised after an IPO, subject to adjustments at a price per share of $4.609274. The Series G Preferred Stock Warrant will be issued upon the closing of the Planned Acquisition and will expire 10 years from the issue date.

9. Convertible Preferred Stock

Authorized shares of Convertible Preferred Stock below do not include 2,075,000 of Founders Convertible Preferred Stock. The preferred stock authorized may be issued from time to time in one or more series.

The designated series are as follows:

	December 31, 2020			
	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value (in thousands)	Aggregate Liquidation Preference (in thousands)
Series A	46,449,990	46,449,990	$ 6,081	$ 6,107
Series B	36,541,344	36,541,344	10,642	10,975
Series B-1	25,148,427	25,148,427	9,927	10,000
Series C	46,751,157	46,751,157	37,923	38,000
Series D	100,002,337	94,929,459	111,302	112,732
Series D-1	12,953,178	1,644,097	2,158	2,158
Series E	82,872,776	82,872,776	130,945	131,311
Series F	30,572,000	29,720,954	76,247	76,558
	381,291,209	364,058,204	$ 385,225	$ 387,841

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Notes to Unaudited Interim Consolidated Financial Statements (Continued)

	March 31, 2021			
	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value (in thousands)	Aggregate Liquidation Preference (in thousands)
Series A	46,449,990	46,449,990	$ 6,081	$ 6,107
Series B	36,541,344	36,541,344	10,642	10,975
Series B-1	25,148,427	25,148,427	9,927	10,000
Series C	46,751,157	46,751,157	37,923	38,000
Series D	100,002,337	96,192,579	112,802	114,232
Series D-1	12,953,178	6,606,932	8,672	8,671
Series E	82,872,776	82,872,776	130,945	131,311
Series F	29,720,954	29,720,954	76,247	76,558
Series G	68,258,733	68,258,729	309,701	314,623
	448,698,896	438,542,888	$ 702,940	$ 710,477

In the first quarter of 2021, the Company issued an aggregate of 67,255,705 shares of Series G Convertible Preferred Stock at a price of $4.609274 per share for total proceeds of approximately $309.7 million, net of issuance costs. Each share is convertible into fully paid shares of Class A common stock on a one-for-one basis. In addition, the Company's board of directors approved a secondary sale of an aggregate of 1,003,024 shares of the Company's Founders Convertible Preferred Stock at a price per share of $4.609274 to the new Series G investors, and upon the effectiveness of the sale, the shares sold were exchanged with the Company for an equal number of shares of Series G Convertible Preferred Stock. There were no proceeds to the Company in connection with the secondary sale of Founders Preferred Stock and related exchange into Series G Convertible Preferred Stock. The difference between the fair value of the Founders Convertible Preferred Stock prior to the exchange and the consideration received by the sellers has been recognized as incremental stock-based compensation expense of $1.2 million.

The rights, preferences and privileges of the holders of the Founders Convertible Preferred Stock (Founders Preferred), Series A Convertible Preferred Stock (Series A), the Series B Convertible Preferred Stock (Series B), Series B-1 Convertible Preferred Stock (Series B-1), Series C Convertible Preferred Stock (Series C), Series D Convertible Preferred Stock (Series D), Series D-1 Convertible Preferred Stock (Series D-1), Series E Convertible Preferred Stock (Series E), Series F Convertible Preferred Stock (Series F), and Series G Convertible Preferred Stock (Series G) are as follows:

Voting

All preferred shareholders of Series A, Series B, Series B-1, Series C, Series D, Series D-1, Series E, Series F, Series G, and Founders Preferred (collectively, "Preferred Stock") have the right to the number of votes into which such Preferred Stock could then be converted into shares of Class A common stock. Shares of Class A common stock have ten times the voting power of shares of Class B common stock. Holders of Class B common stock have the right to one vote per share of Class B common stock held.

Dividends

The holders of Series A, Series B, Series B-1, Series C, Series D, Series D-1, Series E, Series F, Series G (collectively, "Senior Preferred"), and Founders Preferred shall be entitled to receive, on an

equal priority and pari passu basis, a 6% noncumulative dividend, when and if declared by the Company's board of directors. No dividends shall be paid on the common stock unless the Company shall also declare and pay a dividend to the holders of the Senior Preferred in priority to any dividend declared and paid to the holders of common stock.

The Company has never declared or paid any cash dividends and does not presently plan to pay cash dividends in the foreseeable future.

Liquidation Preference

In the event of any liquidation including deemed liquidation events, dissolution, winding up of the Company, either voluntary or involuntary, the holders of Senior Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company and proceeds of the liquidation transaction to the holders of common stock and Founders Preferred, by reason of their ownership thereof, an amount per share equal to the sum of the applicable original issue price for such series of Senior Preferred, plus declared but unpaid dividends on such share. The Senior Preferred shall be entitled to be paid out their liquidation preference on an equal priority and pari passu basis.

If, upon the occurrence of such event, the assets distributed among the holders of Senior Preferred are insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets of the Company and proceeds from the liquidation transaction legally available for distribution are distributed ratably among the holders of Senior Preferred in proportion to the full preferential amount each such holder is otherwise entitled to receive. All deemed liquidation events that may result in the preferred stock being redeemed for cash are subject to vote or approval by the board of directors which is controlled by the common stockholders.

Conversion

Each share of Preferred Stock is convertible at the option of the holder, into fully paid shares of Class A common stock determined by dividing the original issue price for such series by the conversion price applicable to such series, subject to certain anti-dilution adjustments. The initial conversion price shall be $0.10 per share for the Founders Preferred, $0.131464 per share for the Series A, $0.300347 per share for the Series B, $0.397639 per share for the Series B-1, $0.812814 per share for the Series C, $1.187535 per share for the Series D, $1.312419 for the Series D-1, $1.584494 for the Series E, $2.575906 for the Series F, and $4.609274 for the Series G. Each share of Preferred Stock is convertible into Class A common stock on a one-for-one basis.

Each share of Preferred Stock shall automatically be converted into shares of Class A common stock at the conversion rate then in effect for such series of Preferred Stock immediately upon the earlier of (i) the Company's sale of its common stock in a public offering pursuant to a registration statement on Form S-1 under the Securities Act of 1933, as amended (the "Securities Act") which results in a price per share of not less than $4.609274 and aggregate cash proceeds to the Company of not less than $50.0 million (net of underwriting discounts and commissions) (a "Qualified IPO"), (ii) by means of an effective registration statement under the Exchange Act without a related underwritten offering (a "Direct Listing"), (iii) a merger, consolidation, or share exchange or similar transaction with a publicly-traded "special purpose acquisition company" ("SPAC"), or (iv) the date specified by vote or written consent of the holders of a majority of the then outstanding shares of Preferred Stock, voting together as a single class and not as separate series on an as converted to common stock basis.

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Notes to Unaudited Interim Consolidated Financial Statements (Continued)

10. Warrants

Convertible Preferred Stock Warrants

In March 2018, the Company issued five performance-based warrant awards to purchase up to 6,335,998 shares of Series D and 12,953,178 shares of Series D-1 to the same investor. These awards vest upon satisfaction of certain customer referrals and referred revenue targets. During the three months ended March 31, 2020, no warrants were exercised. During the three months ended March 31, 2021, the investor exercised 1,263,120 shares of Series D warrants and 4,962,835 shares of Series D-1 warrants for total proceeds of $8.0 million.

In March 2021, the Company's board of directors approved an amendment to one of the Company's outstanding performance-based preferred stock warrants to purchase up to 3,809,758 shares of Series D-1 with an exercise price of $1.312419 per share in which the performance period and expiration date were extended from March 2021 to September 2021. As of the modification date, there were no warrants vested and exercisable, and the modification did not result in incremental expense as the Company determined that the performance criteria was not probable of being achieved. The remaining performance-based warrant awards expired in March 2021.

11. Common Stock

As of March 31, 2021, the Company had authorized 596,297,578 and 860,000,000 shares of par value $0.00001 Class A common stock and Class B common stock, respectively; and 45,116,188 shares of Class A common stock and 113,048,548 shares of Class B common stock were issued and outstanding, respectively. Common stockholders are entitled to dividends if and when declared by the Company's board of directors. The Company has never declared or paid any cash dividends and does not presently plan to pay cash dividends in the foreseeable future.

12. Stock Option Plan

Stock Option Plan

Effective May 1, 2012, the Company adopted the 2012 Stock Plan (the "2012 Plan"). As of March 31, 2021, the Company's board of directors had authorized 188,248,964 shares of Class B common stock to be reserved for grants under the 2012 Plan. As of March 31, 2021, 5,027,967 stock options to purchase shares of Class B common stock were available for issuance under the 2012 Plan. Options granted under the 2012 Plan may be either incentive stock options or nonqualified stock options. Incentive stock options ("ISOs") may be granted only to employees (including officers and directors). Non-qualified stock options ("NSOs") may be granted to employees and consultants. The exercise price of ISOs and NSOs shall not be less than 100% of the estimated fair value of the common shares on the date of grant, respectively, as determined by the Company's board of directors. The exercise price of an ISO granted to a 10% or greater stockholder shall not be less than 110% of the estimated fair value of the common shares on the date of grant. Options generally vest over a period of four years.

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A summary of the activity under the 2012 Plan is set forth as follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value (in thousands)
Balance as of December 31, 2020	101,250,900	$ 0.58	7.95	$ 175,444
Granted	18,549,638	$ 2.86		
Exercised	(14,321,551)	$ 0.40		
Cancelled and forfeited	(1,328,134)	$ 0.74		
Balance as of March 31, 2021	104,150,853	$ 1.01	8.33	$ 381,624
Vested and exercisable as of March 31, 2021	34,397,476	$ 0.43	7.10	$ 145,872

The weighted average grant-date fair value of options granted during the three months ended March 31, 2020 and 2021 was $0.36 and $2.40 per share, respectively. The aggregate intrinsic value of options exercised during the three months ended March 31, 2020 and 2021 was $7.1 million and $61.1 million, respectively.

Non-Plan Executive Grant

In March 2021, the Company's board of directors granted to its Founder and Head of Blend a stand-alone stock option issued outside of the 2012 Plan covering a maximum of 78,171,543 shares of Class B common stock with an exercise price of $2.86 per share. The stock option grant has a 15-year term, subject to earlier termination when shares subject to the award are no longer eligible to vest, and vests upon the satisfaction of a service condition, liquidity event-related performance condition, and performance-based market conditions. If an IPO is completed within 15 months of the date of grant, 5,862,866 shares will vest. If an IPO is not achieved, or if the Company completes certain equity or debt financing events prior to an IPO, or if there is a change in control (as defined in the stock option agreement) prior to an IPO, no shares subject to the stock option will vest, and the stand-alone stock option will immediately terminate for no consideration. The remaining tranches of shares will vest dependent on performance goals tied to the Company's stock price and specified expiration dates for each tranche.

The first tranche of 5,862,866 shares was valued using the Black-Scholes-Merton Option pricing model. The estimated grant date fair value of the first tranche was $3.93 per share based on the following assumptions:

Fair value of common stock	$ 5.91
Expected term (years)	7.69
Expected volatility	40.00%
Risk-free interest rate	2.03%
Expected dividend yield	—

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Notes to Unaudited Interim Consolidated Financial Statements (Continued)

The remaining tranches were valued using a Monte Carlo simulation model to determine the grant date fair value for each tranche. The weighted average estimated grant date fair value of the remaining tranches was $1.32 per share based on the following assumptions:

Fair value of common stock	$ 5.91
Contractual term (years)	15.00
Expected volatility	40.00%
Risk-free interest rate	2.03%
Expected dividend yield	—

As of March 31, 2021, no compensation expense was recorded because the satisfaction of the IPO performance condition was not yet probable. If the IPO had occurred on March 31, 2021, the Company would have recognized $23.0 million in stock-based compensation expense related to the first tranche. The total unrecognized compensation expense related to the non-plan executive grant for all tranches was $87.6 million as of March 31, 2021 and will be recognized over a weighted average remaining period of 3.1 years.

Early Exercise of Common Stock Options

The Company's board of directors has authorized certain stock option holders to exercise unvested options to purchase shares of Class B common stock. Shares received from such early exercises are subject to repurchase in the event of the optionee's termination of service as a service provider (as defined in the 2012 Plan), at the original issuance price, until the options are fully vested. As of December 31, 2020 and March 31, 2021, 486,980 and 2,243,360 shares of Class B common stock were subject to repurchase, respectively. As of December 31, 2020 and March 31, 2021, the cash proceeds received for unvested shares of Class B common stock recorded within Other long-term liabilities in the consolidated balance sheets were $0.3 million and $1.7 million, respectively.

Stock-Based Compensation

The estimated grant date fair values of the employee stock options granted during the three months ended March 31, 2020 and 2021 under the 2012 Plan were calculated using the Black-Scholes-Merton Option pricing model, based on the following weighted average assumptions:

	Three Months Ended March 31,	
	2020	2021
Expected term (years)	5.90	6.07
Expected volatility	39.06%	32.86%
Risk-free interest rate	0.79%	1.13%
Expected dividend yield	—	—

Risk-Free Interest Rate. The risk-free interest rate is based on U.S. treasury zero-coupon issues with remaining terms similar to the expected term of the options at date of grant.

Expected Term. The expected term represents the period that the Company's share-based awards are expected to be outstanding. The expected term assumptions were determined based on the vesting terms, exercise terms, and contractual lives of the options.

Expected Dividend Yield. The Company has never declared or paid any cash dividends and does not plan to pay cash dividends in the foreseeable future, and, therefore, used an expected dividend yield of zero in the valuation model.

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Expected Volatility. Expected volatility of the stock is based on the Company's public company peer group after consideration of their size, maturity, profitability, growth, risk, and return on investment as the Company's stock is not publicly traded. The stock volatility assumptions represent an average of the historical volatilities of the common stock of the Company's peer group.

Fair Value. The Company's board of directors and in part based upon a valuation provided by a third-party valuation firm, determined the fair value of the Company's common stock in connection with the grant of stock options and stock awards. Due to there being no public market for the Company's common stock, its board of directors considered the third-party valuation and other factors, including but not limited to, secondary sales of the Company's common stock, revenue growth, the current status of its operations, its financial condition, its stage of development, and its competition to establish the fair market value of the Company's common stock at the time of grant of the stock option or stock award.

The Company recorded total stock-based compensation expense as follows (in thousands):

	Three Months Ended March 31,	
	2020	2021
Cost of revenue	$ 19	$ 58
Research and development	757	1,386
Sales and marketing	1,791	1,373
General and administrative	672	1,199
Total	$ 3,239	$ 4,016

Included in stock-based compensation expense are amounts related to the sale of employee stock on the secondary market to existing investors at a price above fair market value at the time of the sale. Stock-based compensation related to the secondary sales, which represents the amount paid to purchase shares of the Company's common stock in excess of fair value, was approximately $1.9 million, of which $0.1 million was included in research and development, $1.0 million in sales and marketing, and $0.8 million in general and administrative in the consolidated statements of operations and comprehensive loss for the three months ended March 31, 2020. Stock-based compensation related to secondary sales during the three months ended March 31, 2021 was immaterial.

In January 2021, the Company's board of directors approved a third-party tender offer, which allowed for eligible option holders and stockholders to sell shares of capital stock to the Series G investors. The third-party tender offer was completed in March 2021, in which an aggregate of 1,327,416 shares of common stock and Convertible Preferred Stock were purchased from participating stockholders and option holders. There was no stock-based compensation recognized related to such third-party tender offer as the purchase price was lower than the fair value.

As of March 31, 2021, the total unrecognized stock-based compensation expense under the 2012 Plan was approximately $64.9 million. This is expected to be recognized over a weighted average period of 3.53 years. The total fair value of shares vested during the three months ended March 31, 2021 was $2.0 million.

In November 2018, an executive was issued a partial-recourse promissory note (the "Employee Note") in the amount of $2.7 million in order to exercise a stock-based compensation award for 12,000,000 shares subject to vesting conditions. The Employee Note has a maturity date of November 19, 2025

and an interest rate of 3.04% per annum. The employee has the right to prepay the Employee Note at any time, without penalty. The Company recorded $2.7 million as contra-equity in 2018. There were 400,000 shares of common stock remaining that were subject to vesting conditions as of March 31, 2021.

13. Income Taxes

The Company's provision for income taxes was $7 thousand and $10 thousand for the three months ended March 31, 2020 and 2021, respectively, which consists primarily of U.S. state income taxes. For the three months ended March 31, 2020 and 2021, the Company maintained a full valuation allowance on its net deferred tax assets as it was more likely than not that those deferred tax assets would not be realized. As of March 31, 2021, the Company files tax returns in the U.S. federal and various state jurisdictions. Due to the Company's U.S. net operating loss carryforwards, its income tax returns generally remain subject to examination by federal and most state tax authorities.

14. Net Loss Per Share

The Company computes net loss per share using the two-class method required for multiple classes of common stock. The Company has two classes of authorized common stock for which voting rights differ by class.

Basic net loss per share is computed by dividing net loss attributable to each class of stockholders by the weighted average number of shares of stock outstanding during the period, adjusted for options early exercised subject to repurchase.

For the calculation of diluted net loss per share, net loss per share attributable to common stockholders for basic net loss per share is adjusted by the effect of dilutive securities, including awards under the Company's equity compensation plans. Diluted net loss per share attributable to common stockholders is computed by dividing the resulting net loss attributable to common stockholders by the weighted average number of fully diluted common shares outstanding. For the periods presented, potentially dilutive shares relating to stock options, convertible preferred stock, preferred and common stock warrants, and options early exercised subject to repurchase were not included in the computation of diluted net loss per share as the effect of including these shares in the calculation would have been antidilutive.

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The following table presents the calculation of basic and diluted net loss per share (in thousands, except per share data):

	Three Months Ended March 31,			
	2020		2021	
	Class A Common	Class B Common	Class A Common	Class B Common
Numerator:				
Net loss	$ (8,003)	$ (14,848)	$ (9,028)	$ (18,039)
Net loss attributable to common stockholders	$ (8,003)	$ (14,848)	$ (9,028)	$ (18,039)
Denominator:				
Basic shares:				
Weighted average common shares—Basic	38,695	71,786	45,116	90,155
Diluted shares:				
Weighted average common shares—Diluted	38,695	71,786	45,116	90,155
Net loss per share attributable to common stockholders:				
Basic	$ (0.21)	$ (0.21)	$ (0.20)	$ (0.20)
Diluted	$ (0.21)	$ (0.21)	$ (0.20)	$ (0.20)

The following table sets forth the computation of basic and diluted net loss per share attributable to the Company's common stockholders (in thousands, except per share data):

	Three Months Ended March 31	
	2020	2021
Net loss attributable to common stockholders	$ (22,851)	$ (27,067)
Weighted average shares used in computing net loss per share attributable to common stockholders, basic and diluted	110,481	135,271
Net loss per share attributable to common stockholders, basic and diluted	$ (0.21)	$ (0.20)

Blend Labs, Inc.
Notes to Unaudited Interim Consolidated Financial Statements (Continued)

As the Company has reported net loss for each of the periods presented, all potentially dilutive securities are antidilutive. The following potential outstanding shares of common stock were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been antidilutive:

	March 31,	
	2020	2021
Outstanding stock options	102,545,496	104,150,853
Early exercised options subject to repurchase	320,276	2,243,360
Options exercised via promissory note	12,000,000	12,000,000
Non-plan executive option grant	—	78,171,543
Common stock warrants	8,420,804	—
Convertible preferred stock warrants	18,026,056	3,809,758
Founders preferred stock	3,078,024	2,075,000
Convertible preferred stock	332,693,153	438,542,888
Total anti-dilutive securities	477,083,809	640,993,402

15. Subsequent Events

The Company evaluated its March 31, 2021 unaudited interim consolidated financial statements for subsequent events through May 28, 2021, the date the unaudited interim consolidated financial statements were originally issued.

On May 28, 2021, the Company's board of directors approved an increase in the number of shares of the Company's Class B common stock available for issuance under the 2012 Plan by 20,300,000 shares from 188,248,964 to 208,548,964 shares.

Subsequent to March 31, 2021, and through May 28, 2021, the Company's board of directors granted stock options to purchase 11,894,750 shares of Class B common stock to employees and directors, with a weighted average exercise price of $4.67 per share, that are subject to service-based vesting conditions. The grants had an aggregate grant date fair value of $22.2 million, which is expected to be recognized as stock-based compensation expense over approximately 4 years.

After the original issuance of the unaudited interim consolidated financial statements and through June 21, 2021, the Company has evaluated subsequent events or transactions that have occurred that may require disclosure in the accompanying financial statements. Except as described below, the Company has concluded that no events or transactions have occurred that may require disclosure in the accompanying financial statements.

On June 20, 2021, the Company's stockholders approved an increase in the number of authorized shares of the Company's Series G Preferred Stock by 1,795,294 shares from 68,258,733 to 70,054,027 shares for the purpose of issuance of the Series G Preferred Stock Warrant in connection with the debt financing related to the Planned Acquisition, pending the filing of the amended certificate of incorporation.

Subsequent to May 28, 2021, and through June 21, 2021, the Company's board of directors granted stock options to purchase 1,201,450 shares of Class B common stock to employees and directors with a weighted average exercise price of $4.67 per share that are subject to service-based vesting

Blend Labs, Inc.
Notes to Unaudited Interim Consolidated Financial Statements (Continued)

conditions. The grants had an aggregate grant date fair value of $2.2 million, which is expected to be recognized as stock-based compensation expense over approximately 4 years.

On June 17, 2021, the Employee Note (see Note 12) was repaid in full, inclusive of the principal amount and accrued interest of approximately $3.0 million.

withum
ADVISORY TAX AUDIT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders,
Mr. Cooper Group Inc.:

We have audited the accompanying carve-out financial statements of Title Carve Out (a carve-out of certain operations of Mr. Cooper Group Inc.), which comprise the balance sheets as of December 31, 2020 and 2019, the related statements of operations, changes in invested equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these carve-out 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the carve-out financial statements referred to above present fairly, in all material respects, the financial position of Title Carve Out (a carve-out of certain operations of Mr. Cooper Group Inc.) as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 of the carve-out financial statements, which describes the basis of presentation. The carve-out financial statements reflect the assets, liabilities, revenues and expenses directly attributable to Title Carve Out (a carve-out of certain operations of Mr. Cooper Group Inc.), as well as allocations deemed reasonable by management. Our opinion is not modified with respect to this matter.

/s/ WithumSmith+Brown, PC
March 22, 2021

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Balance Sheets
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 1,622,325	$ 2,432,049
Accounts receivable—net	28,841,731	13,684,515
Prepaid expenses	356,673	322,635
Property and equipment—net	6,594,968	4,984,778
Restricted cash	329,672	329,672
Intangible assets - net	1,343,333	—
Deposits and other assets	37,788	97,263
Deferred income taxes	1,211,390	53,301
Due from affiliates	3,541,790	8,131,205
Total assets	$ 43,879,670	$ 30,035,418
Liabilities		
Accounts payable	$ 881,681	$ 355,307
Accrued salaries and commissions	5,513,642	2,803,905
Title fees payable	861,500	1,012,063
Allowance for title and escrow losses	1,104,005	1,303,220
Operating lease liabilities	3,010,044	2,588,234
Other liabilities	8,062,957	3,872,814
Due to affiliates	116,447	—
Total liabilities	19,550,276	11,935,543
Invested equity		
Invested equity	24,329,394	18,099,875
Total invested equity	24,329,394	18,099,875
Total liabilities and invested equity	$ 43,879,670	$ 30,035,418

See accompanying Notes to the Financial Statements.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Statements of Operations
Years Ended December 31, 2020 and 2019

	2020	2019
Revenues		
Gross title premiums	$ 98,769,605	$ 48,364,869
Escrow and sub escrow fees	75,630,568	32,909,718
Other service income	37,697,850	24,074,972
Total revenues	212,098,023	105,349,559
Operating expenses		
Salaries, benefits and other compensation	47,726,995	35,188,809
General and administrative	118,417,343	60,172,900
Total operating expenses	166,144,338	95,361,709
Net operating income	45,953,685	9,987,850
Other income		
(Loss) gain on disposal of property and equipment	(126,998)	1,470
Interest income	1,524	3,713
Other income	547,481	492,067
Total other income	422,007	497,250
Income before income taxes	46,375,692	10,485,100
Provision for income taxes	10,331,741	2,094,274
Net income	$ 36,043,951	$ 8,390,826

See accompanying Notes to the Financial Statements.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Statements of Changes in Invested Equity
Years Ended December 31, 2020 and 2019

	Invested Equity
Balance at December 31, 2018	$ 9,709,049
Net income	8,390,826
Balance at December 31, 2019	18,099,875
Cumulative effect adjustments pursuant to the adoption of ASU 2016-13	1,272,138
Net transfers to parent	(31,086,570)
Net income	36,043,951
Balance at December 31, 2020	$ 24,329,394

See accompanying Notes to the Financial Statements.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Operating activities		
Net income	$36,043,951	$8,390,826
Adjustments to reconcile net income to net cash attributable to operating activities		
Depreciation and amortization	1,560,090	494,246
Net change in allowance for doubtful accounts	134,181	(488,789)
Loss (gain) on disposal of property and equipment	126,998	(1,470)
Deferred income taxes	(1,531,935)	(207,768)
Changes in assets and liabilities:		
Accounts receivable	(13,802,846)	(5,854,089)
Deposits and other assets	59,475	41,689
Due from affiliates	7,583,497	(5,452,748)
Accounts payable	526,374	(122,421)
Accrued salaries and commissions	2,709,737	1,069,795
Title fees payable	(150,563)	814,764
Allowance for title and escrow losses	(199,215)	604,698
Other items, net	4,267,236	(128,032)
Net cash attributable to operating activities	37,326,980	(839,299)
Investing activities		
Acquisition of property and equipment	(2,092,753)	(1,453,370)
Net cash attributable to investing activities	(2,092,753)	(1,453,370)
Financing activities		
Net transfers to parent	(36,043,951)	—
Net cash attributable to financing activities	(36,043,951)	—
Net decrease in cash and cash equivalents	(809,724)	(2,292,669)
Cash, cash equivalents and restricted cash at beginning of period	2,761,721	5,054,390
Cash, cash equivalents and restricted cash at end of period(1)	$1,951,997	$2,761,721
Supplemental disclosure of cash flow information		

(1) The following table provides a reconciliation of cash, cash equivalents, and restricted cash to the amount reported within the Balance Sheets.

Cash and cash equivalents	$ 1,622,325	$ 2,432,049
Restricted cash	329,672	329,672
Total cash, cash equivalents and restricted cash	$ 1,951,997	$ 2,761,721

Continued on following page. See accompanying Notes to the Financial Statements.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Statements of Cash Flows (Continued)
Years Ended December 31, 2020 and 2019

Supplemental disclosure of non- cash investing and financing activities:

During the year ended December 31, 2020, Title365 Holding Co., entered into a purchase agreement with American Title, Inc., where Title365 Holding Co. purchased at carrying value certain assets including intangible assets—net for $1.9 million and property and equipment—net for $0.2 million. Additionally, the Company received a non-cash contribution from its parent of $5.0 million during the year ended December 31, 2020 as part of settling the affiliated transactions.

See accompanying Notes to the Financial Statements.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Financial Statements
December 31, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The accompanying financial statements and footnotes represent the operations of Title Carve Out (the "Company"), which is composed of two legal entities, Title365 Holding Co. and T365 Company LLC.

Title365 Holding Co. ("HoldCo") is a wholly owned subsidiary of Xome Holdings LLC ("the Parent"). HoldCo is an underwritten title company engaged in the business of selling title insurance policies and escrow services throughout the United States. HoldCo was licensed in thirty-eight states as of December 31, 2020.

T365 Company LLC ("T365") is a wholly owned subsidiary of Nationstar Mortgage Holdings Inc. ("Nationstar"). T365 is an underwritten title company engaged in the business of selling title insurance policies and escrow services in the state of Ohio. T365 was formed on December 10, 2019, and will continue until terminated in accordance with the operating agreement.

During the year ended December 31, 2015, HoldCo was involved in a stock purchase agreement in which 100% of HoldCo's stock was sold to Nationstar. On July 31, 2018, Nationstar merged with WMIH Corp. ("WMIH"). On October 10, 2018, WMIH changed its name to Mr. Cooper Group Inc.

Basis of Presentation

The accompanying carve-out financial statements represent Title Carve Out as though the Company was operating as a separate, stand-alone business since December 31, 2018. Title Carve Out is a carve-out of certain operations of Xome Holdings LLC ("Seller") and T365 Company LLC, both of which are subsidiaries of Mr. Cooper Group Inc. ("Seller Parent"). As of December 31, 2020, the Company was not a separate legal entity and accordingly, the financial statements have been prepared on a "carve-out" basis for purposes of complying with the rules and regulations of the Securities and Exchange Commission Regulation S-X.

The accompanying carve-out balance sheets of the Company as of December 31, 2020 and 2019, and the related carve-out statements of operations, changes in invested equity and cash flows for the two years then ended have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") using historical results of operations and historical bases of assets and liabilities of the Company, as well as using allocations and estimates where data was not maintained on a specific basis within the books and records. For purposes of presenting the carve-out financial statements, allocations were required to determine the cost of general and administrative activities performed by the Company. Affiliates are defined herein as subsidiaries owned directly or indirectly by Mr. Cooper Group Inc., including the Seller ("Affiliates").

Management believes the assumptions underlying the carve-out financial statements are reasonable, including the allocations described below under the caption *Allocations from the Seller Parent and Affiliates*. However, the carve-out financial statements included herein may not necessarily represent what Title Carve Out's results of operations, financial position and cash flows would have been had it been a stand-alone entity during the years presented, or what Title Carve Out's results of operations, financial position and cash flows may be in the future.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

As these carve-out financial statements represent a business of the Seller Parent that is not a separate legal entity, the net assets of Title Carve Out have been presented herein as invested equity. Invested equity is composed primarily of: (i) the initial investment to acquire and establish the net assets of Title Carve Out (and any subsequent adjustments thereto); (ii) the accumulated net income; (iii) net transfers to or from Affiliates related to cash management functions performed by Affiliates, such as the collection of trade receivables and the payment of trade payables and wages and salaries, in the form of capital contributions or dividend payments; (iv) certain corporate cost allocations; and (v) changes in certain income tax liabilities and assets. Actual results could differ from these estimates.

Cash Management and Funding

The Seller Parent performs substantially all cash management and treasury functions for the Company. None of the Seller Parent's cash and cash equivalents has been allocated to the Company in the carve-out financial statements. Substantially all of the Company's operations are funded directly by the Seller Parent, including, but not limited to, operating expenses and capital expenditures.

Allocations from the Seller Parent and Affiliates

In addition to the carve-out of the operations and the net assets of Title Carve Out, certain general corporate expenses and shared services have been allocated to the Company, which consist of costs incurred related to: (i) facilities and acquisitions; (ii) information systems and technology; (iii) accounting and finance; (iv) and legal, risk and compliance. The allocated expenses are mainly composed of salaries, including variable compensation and other direct costs of the various functions. Allocations to the Company were based primarily on the Company headcount using shared expenses incurred by the Seller, Seller Parent and Affiliates on behalf of the Company, adjusted where a more specific allocation was deemed more appropriate.

The total operating expense allocations by major category for the years ended December 31, 2020 and 2019, from the Seller Parent and Affiliates are as follows:

	2020	2019
Facilities and acquisitions	$ 3,737,840	$ 483,292
Information systems and technology	3,235,231	1,541,578
Accounting and finance	2,458,687	2,196,642
Legal, risk and compliance	762,614	620,978
Other	157,314	1,937,469
	$ 10,351,686	$ 6,779,959

The expenses allocated are not necessarily indicative of the amounts that would have been incurred had Title Carve Out performed these functions as a stand-alone entity, nor are they indicative of expenses that will be charged or incurred in the future. It is not practical to estimate the amount of expenses and gains and losses that Title Carve Out would have incurred for the years presented had it not been an affiliated entity of the Seller Parent in each of those years.

Invested Equity

The Company is an operating division of the Seller Parent and not a legal entity and, as such, there is no separately reportable additional paid-in capital or retained earnings. During 2020, net transfers to

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

the Seller Parent and Affiliates amounted to $31,086,570. This transfer represents the net effect of swept cash flows, allocated costs from the Affiliates and income taxes.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the collectability of accounts receivable, the carrying value of long-lived assets, reserves for title and escrow losses, and the recognition of certain accruals. Actual results may differ from those estimates, and they may be adjusted as more information becomes available.

Concentrations of Credit Risks and Uncertainties

The Company provides services to clients throughout the United States. The Company's revenues are not materially dependent on a single client or small group of clients.

The Company currently maintains substantially all of its day-to-day operating cash with major financial institutions. At times, cash balances may be in excess of the amounts insured by the Federal Deposit Insurance Corporation. Cash balances were in excess of such insured amounts as of December 31, 2020 and 2019. The Company has not experienced any losses in these accounts, as appropriate, and does not believe it is exposed to any significant credit risk on cash.

The Company sells underwritten title policies to buyers of and owners refinancing real estate (the "Customers"), in addition to providing escrow and other related services. Generally, lenders require title policies to be purchased and paid for by the Customers. During the years ended December 31, 2020 and 2019, the Company's title policy fees were earned on title insurance policies that were underwritten primarily by Westcor Land Title Insurance Company. Approximately 64% and 85% of title policy fees earned were underwritten by Westcor Land Title Insurance Company during the years ended December 31, 2020 and 2019, respectively.

The Company extends unsecured credit to some of its customers for the title policy premiums, sub-escrow charges and fees for other related services for a limited period of time after the recording of the deed. As of December 31, 2020, there were no significant concentrations of the Company's outstanding accounts receivable.

Substantially all of the Company's revenues are derived from fees related to real estate activity. Real estate activity is cyclical and is affected greatly by the cost and availability of long-term mortgage funds. Real estate activity and the Company's revenue can be adversely affected during periods of high interest rates and/or limited money supply. The reduction of real estate activity and fees generated from such activity could have a material adverse effect on the financial condition and results of operations of the Company.

Cash and Cash Equivalents

Cash and cash equivalents include unrestricted cash on hand and other interest-bearing investments with original maturity dates of 90 days or less.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

Restricted Cash

Certain funds are required by the California Insurance Code to be deposited by the Company. These funds are held as certificates of deposits in various financial institutions but are restricted from the Company's general operational funds, as required by the Code.

Revenue Recognition

The Company derives its revenues primarily from title policy, escrow and other trustee services. Revenue is recognized when the performance obligation is completed. The Company's contracts are initiated through purchase orders by its customers. Each contract contains one performance obligation to transfer a distinct good to the customer. Title policy revenue is recognized in the period the deed is recorded. The Company provides for estimated future losses on policies issued as a current charge against income. Escrow revenue and other trustee revenue are recognized when an escrow or other trust is closed.

In determining the appropriate amount of revenue to be recognized as the Company fulfills its obligations under its agreements, the following steps are performed: (i) identify contracts with customers; (ii) identify performance obligations; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations; and (v) recognize revenue when (or as) the Company satisfies each performance obligation.

Title and Escrow Loss Reserve and Underwriting Fees Payable

The Company has agreements with insurance companies authorizing the Company to issue title insurance policies on behalf of the insurance companies. Generally, the agreements provide that the Company is to be charged underwriting fees based on a percentage of premiums earned on each policy and to bear up to $5,000 of any losses incurred in connection with each title policy issued. Accordingly, underwriting fees payable to the title insurance companies are accrued when title premium revenue is recognized by the Company and estimated future losses on title policies issued are recorded as a current charge against income based on historical experience. For the years ended December 31, 2020 and 2019, title premium revenue and title premium expense was $98,769,605 and $48,364,869, respectively, and $14,226,248 and $7,253,921, respectively. As of December 31, 2020 and 2019, title and escrow loss reserves were $1,104,005 and $1,303,220, respectively, and underwriting fees payable were $861,500 and $1,012,063, respectively.

Accounts Receivable

Accounting Standards Update No. 2016-13, Financial Instruments—Credit Losses (Topic 326), ("ASU 2016-13") requires expected credit losses for financial instruments, including trade receivables, held at the reporting date to be measured based on historical experience, current conditions and reasonable and supportable forecasts, which is referred to as the current expected credit loss ("CECL") methodology. The update eliminates the initial recognition of credit losses on an incurred basis in current GAAP and instead reflects an entity's current estimate of all expected credit losses over the life of the asset. Previously, when credit losses were measured under GAAP, an entity generally only considered past events and current conditions in measuring the incurred loss. The new standard will reflect management's best estimate of all expected credit losses for the Company's financial assets

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

that are recognized at amortized cost. The guidance was effective for the Company as of January 1, 2020.

For the Company's receivables that are within the scope of ASU 2016-13, the reserve methodology was revised to consider CECL losses. The revised CECL methodology considers expected lifetime loss rates calculated from historical data using a weighted average life to determine the current expected credit loss required. Factors that influenced management's current estimate of expected credit losses for certain trade receivables included the following: historical collection and loss rates, passage of time, weighted average life of receivables, and various qualitative factors including current economic conditions. The Company's accounts receivable - net balance as of December 31, 2020 and 2019, was $28,841,731 and $13,684,515, respectively, which included allowance for doubtful accounts of $398,612 and $1,536,569 as of December 31, 2020 and 2019, respectively. The Company recorded transition adjustments aggregating to an increase of $1,272,138 to retained earnings and a reduction of $1,272,138 to the accounts receivable reserve as of January 1, 2020 for the cumulative effect of adopting ASU 2016-13.

Corporate Expense Allocations

Certain corporate costs, such as those related to data, accounting, and facilities and acquisitions, are allocated to subsidiaries using a pro-rata method based on headcount.

Advertising Expenses

Advertising and sales promotion costs are expensed as incurred. During the years ended December 31, 2020 and 2019, advertising expenses amounted to $25,363 and $88,962, respectively, and are reflected as a component of general and administrative expenses in the accompanying Statements of Operations.

Income Taxes

The Company is subject to the income tax laws of the U.S. and its states and municipalities. These tax laws are complex and subject to different interpretations by the taxpayer and the relevant governmental taxing authorities.

Deferred income taxes are determined using the balance sheet method. Deferred taxes are recognized for the future tax consequences attributable to differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates that will apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period that includes the enactment date.

The Company is a member of a group that files a consolidated tax return. Income tax expense is allocated to the Company using the pro rata method. At December 31, 2020, the Company had income tax-related balances due to affiliates of $116,447. At December 31, 2019, the Company had income tax-related balances due to affiliates of $15,252,183 which were offset against due from affiliates.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

The Company initially recognizes tax positions in the consolidated financial statements when it is more likely than not that the position will be sustained upon examination by the tax authorities. Such tax positions are initially and subsequently measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority, assuming the tax authority has full knowledge of the position and all relevant facts. In establishing a provision for income tax expense, the Company makes judgments and interpretations about the application of these inherently complex tax laws. The Company recognizes interest and penalties related to uncertain tax positions as a component of provisions for income taxes in accordance with ASC 740.

Intangible Assets

Intangible assets consist of customer relationships and technology. Those intangible assets are deemed to have finite useful lives and are amortized on a straight-line basis over their estimated useful lives. Intangible assets are recorded at their estimated fair value at the date of acquisition.

Intangible assets with finite useful lives are tested for impairment whenever events or circumstances indicate that their carrying amount may not be recoverable by comparing the carrying value of the assets to the estimated future undiscounted cash flows to be generated by the asset. If an impairment is determined to exist for intangible assets, the carrying value of the asset is reduced to the estimated fair value.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization expenses are calculated using the straight-line method. The depreciation and amortization method is designed to amortize the cost of the assets over the estimated useful lives, in years, of the respective assets as follows:

Description	Estimated Life (Years)
Furniture and equipment	3 to 5
Computers and software	3 to 5

Leasehold improvements are amortized over the lesser of 10 years or the term of the lease.

Maintenance and repairs are charged to expense as incurred. Renewals and improvements of a major nature are capitalized. At the time of retirement or other disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in income.

The Company periodically reviews its property and equipment when events or changes in circumstances indicate that the carrying amount of its property and equipment might not be recoverable under the recoverability test, whereby the expected future undiscounted cash flows from the assets are estimated and compared with the carrying amount of the assets. If the sum of the estimated undiscounted cash flows is less than the carrying amount of the assets, an impairment loss is recorded to operating expenses, as needed. The impairment loss is measured by comparing the fair value of the assets with their carrying amounts. Fair value is determined based on discounted cash flow.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

401(k) Plan

The employees of the Company are eligible to contribute to the Nationstar Mortgage 401(k) Retirement Plan. The participants may elect to contribute up to the maximum amount allowed determined by the IRS. Under the terms of the Plan agreement, the Company makes employer matching contributions to the Plan equal to 100% of each participant's contribution up to 2% of the participant's eligible compensation and 50% of each participant's contribution greater than 2% and up to 4% of the participant's eligible compensation. There were employer matching contributions of $1,143,058 and $795,183 made for the years ended December 31, 2020 and 2019, respectively.

Escrow/Trust Funds

In connection with its escrow activities, the Company holds funds in trust for others totaling approximately $330,092,000 and $92,159,000 as of December 31, 2020 and 2019, respectively. These funds are not available for general corporate purposes and, accordingly, are not included in the accompanying Balance Sheets.

Leases

If the Company determines an arrangement contains a lease or lease components, the lease will be accounted for under Accounting Standards Codification ("ASC") 842 and classified as either a finance or operating lease. At the lease commencement date, the Company recognizes a leased right of use ("ROU") asset and corresponding lease liability based on the present value of the lease payments over the lease term. Leased ROU assets are tested for impairment in accordance with ASC 360, Property, Plant, and Equipment.

ASC 842 provides for two policy elections. The first refers to leases with a term of 12 months or less and the second relates to separating lease components from nonlease components. The Company elected not to recognize lease assets and lease liabilities for leases with a term of 12 months or less and not to separate lease components from nonlease components.

Leases primarily consist of various office facilities. Operating leases in which the Company is the lessee are recorded as operating lease ROU assets and operating lease liabilities. Operating lease ROU assets are included in property and equipment on the Balance Sheets. Operating lease ROU assets represent the Company's right to use an underlying asset during the lease term, and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and operating lease liabilities are recognized at lease commencement based on the present value of the remaining lease payments using a discount rate that represents the Company's incremental borrowing rate at the lease commencement date, as most of the Company's leases do not provide an implicit rate. ROU assets are further adjusted for lease incentives. Operating lease expense, which is comprised of amortization of the ROU asset and the implicit interest accreted on the operating lease liability, is recognized on a straight-line basis over the lease term and is recorded in general and administrative expenses in the Statements of Operations. See Note 7—*Leases* for additional information.

Subsequent Events

Mr. Cooper Group Inc. announced the signing of a definitive agreement to sell the Company, which operates under the brand name Title365, to Blend Labs, Inc. for $500 million, consisting of $450 million

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

in cash and a retained interest of 9.9%, subject to certain adjustments. The sale is expected to close in the second quarter of 2021, subject to customary conditions including regulatory approval.

There were no other material subsequent events that required recognition or additional disclosure in these financial statements through March 22, 2021, the date these financial statements were issued.

2. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

Property and Equipment

Property and equipment consists of the following at December 31, 2020 and 2019:

	2020	2019
Furniture and equipment	$ 747,718	$ 692,013
Computers and software	4,439,389	1,377,403
Leasehold improvements	341,036	394,371
Work in progress	—	958,597
Operating lease right-of-use assets	2,812,782	2,362,110
	8,340,925	5,784,494
Less accumulated depreciation and amortization	(1,745,957)	(799,716)
Property and equipment—net	$ 6,594,968	$ 4,984,778

Depreciation and amortization expense related to property and equipment was $1,040,090 and $494,246 for the years ended December 31, 2020 and 2019, respectively.

Intangible Assets

The following table presents the composition of intangible assets:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Average Remaining Life in Years
Customer relationships	$1,800,000	$ (870,000)	$ 930,000	2.5
Technology	800,000	(386,667)	413,333	2.5
Total intangible assets	$2,600,000	$(1,256,667)	$1,343,333	2.5

The Company recognized $520,000 of amortization expense and had no impairment charges related to its intangible assets during the year ended December 31, 2020. The estimated future intangible asset amortization expense is $520,000 for both 2021 and 2022 and $303,333 for 2023.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

3. OTHER LIABILITIES

Other liabilities consist of the following at December 31, 2020 and 2019:

	2020	2019
Accounting and legal expenses	$ 119,226	$ 98,912
Deferred rent	79,508	197,940
Service fees	3,883,169	3,024,844
Outstanding checks and other accruals	3,981,054	551,118
Other liabilities	$ 8,062,957	$ 3,872,814

4. RELATED PARTY TRANSACTIONS

Companies affiliated with the Company by virtue of common ownership have paid for certain operational expenses on behalf of the Company. The Company has also paid for certain operational expenses on behalf of affiliates. Amounts due from affiliates totaled $3,541,790 and $8,131,205 at December 31, 2020 and 2019, respectively, and amounts due to affiliates totaled $116,447 at December 31, 2020. HoldCo transferred to its parent $36,043,951 and received a non-cash contribution of $4,957,381 for the year ended December 31, 2020, as part of settling the affiliated transactions. The remaining amounts are expected to be collected in the ordinary course of business.

5. INCOME TAXES

The income tax provision consists of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Current	$ 10,179,521	$ 1,860,672
Federal	1,684,155	441,370
State	11,863,676	2,302,042
Deferred	(1,550,752)	232,807
Federal	18,817	(440,575)
State	(1,531,935)	(207,768)
Provision for income taxes	$ 10,331,741	$ 2,094,274

At December 31, 2020, the Company's effective tax rate differed from the statutory tax rate primarily due to state tax adjustments and prior period adjustments resulting from the remeasurement of deferred income taxes. At December 31, 2019 the Company's effective tax rate differed from the statutory rate primarily due to the remeasurement of deferred income taxes resulting from tax return to provision true up adjustments.

Deferred income taxes arise as a result of differences in the methods used to determine net income for financial reporting versus income tax reporting purposes. The Company regularly reviews the carrying amount of its deferred tax assets to determine if the establishment of a valuation allowance is necessary. If based on the available evidence, it is more likely than not all or a portion of the Company's deferred tax assets will not be realized in future periods, a deferred tax valuation allowance

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

is established. During the years ended December 31, 2020 and 2019, the valuation allowance on deferred tax assets was $1,979,997 and $1,614,684, respectively.

The following are the components of the deferred tax assets (liabilities) as of December 31, 2020 and 2019:

	2020	2019
Deferred tax assets		
Loss carryforwards	$ 3,063,240	$ 2,930,894
Loss reserves	358,652	692,953
Accruals	1,428,236	902,962
Other	1,597,545	1,347,426
	6,447,673	5,874,235
Deferred tax liabilities		
Intangible assets	(1,716,408)	(2,544,697)
Advances and other receivables	(1,014,863)	(1,047,975)
Other	(525,015)	(613,578)
	(3,256,286)	(4,206,250)
Less: valuation allowance	(1,979,997)	(1,614,684)
Net deferred tax assets	$ 1,211,390	$ 53,301

6. CONTINGENCIES

The Company is subject to pending and threatened legal actions related to its title and escrow activities. Any losses or expenses related to such cases are generally paid by the Company's underwriter to the extent covered by the Company's underwriting agreements.

The Company may, from time to time, be involved in various other claims and legal actions arising in the ordinary course of business. In the opinion of the Company's management and its counsel, the outcome of such matters will not have a material effect on the accompanying financial statements.

7. LEASES

The following table presents the operating lease right-of-use assets and operating lease liabilities recorded on the Balance Sheets at December 31, 2020 and 2019:

	2020	2019
Operating lease right-of-use assets	$ 2,812,782	$ 2,362,110
Lease liabilities	$ 3,010,044	$ 2,588,234

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Financial Statements (Continued)
December 31, 2020 and 2019

The following table summarizes the Company's net lease cost for the years ended December 31, 2020 and 2019:

	2020	2019
Operating lease cost	$ 2,568,538	$ 1,733,531
Short-term lease cost	357,220	471,988
Sublease income	(835,805)	(492,067)
Net lease cost	$ 2,089,953	$ 1,713,452

The following table summarizes other information related to the Company's operating leases for the years ended December 31, 2020 and 2019:

	2020	2019
Weighted-average remaining lease term (in years)		
Operating leases	1.9	2.05
Weighted-average discount rate		
Operating leases	5.01%	5.02%
Cash paid for the amounts included in the measurement of lease liabilities		
Operating cash flows for operating leases	$2,874,345	$1,630,881

Maturities of operating lease liabilities as of December 31, 2020 are as follows:

Years ending December 31,	Operating Leases
2021	$ 1,865,291
2022	818,903
2023	483,793
Total future minimum lease payments	3,167,987
Less: imputed interest	(157,943)
Total operating lease liabilities	$ 3,010,044

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Condensed Balance Sheets
Unaudited

	March 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	$ 3,565,466	$ 1,622,325
Accounts receivable - net	33,488,873	28,841,731
Prepaid expenses	313,719	356,673
Property and equipment - net	8,836,543	6,594,968
Restricted cash	329,672	329,672
Intangible assets - net	1,213,333	1,343,333
Deposits and other assets	23,395	37,788
Deferred income taxes	1,454,096	1,211,390
Due from affiliates	—	3,541,790
Total assets	$ 49,225,097	$ 43,879,670
Liabilities		
Accounts payable	$ 2,522,385	$ 881,681
Accrued salaries and commissions	4,696,490	5,513,642
Title fees payable	536,010	861,500
Allowance for title and escrow losses	1,098,079	1,104,005
Operating lease liabilities	4,802,061	3,010,044
Other liabilities	5,731,411	8,062,957
Due to affiliates	206,748	116,447
Total liabilities	19,593,184	19,550,276
Invested equity		
Invested equity	29,631,913	24,329,394
Total invested equity	29,631,913	24,329,394
Total liabilities and invested equity	$ 49,225,097	$ 43,879,670

See accompanying Notes to the Unaudited Condensed Financial Statements.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Condensed Statements of Operations
Unaudited

	Three Months Ended March 31,	
	2021	2020
Revenues		
Service revenue	$ 73,117,808	$ 43,339,493
Operating expenses		
Salaries, benefits and other compensation	13,432,688	12,022,164
General and administrative	37,410,497	23,150,648
Total operating expenses	50,843,185	35,172,812
Net operating income	22,274,623	8,166,681
Other income		
Interest income	84	559
Other income	52,986	179,137
Total other income	53,070	179,696
Income before income taxes	22,327,693	8,346,377
Provision for income taxes	5,361,183	2,044,862
Net income	$ 16,966,510	$ 6,301,515

See accompanying Notes to the Unaudited Condensed Financial Statements.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Condensed Statements of Changes in Invested Equity
Unaudited

	Three Months Ended March 31, 2021
Balance at December 31, 2020	$ 24,329,394
Net transfers to parent	(11,663,991)
Net income	16,966,510
Balance at March 31, 2021	$ 29,631,913

	Three Months Ended March 31, 2020
Balance at December 31, 2019	$ 18,099,875
Cumulative effect adjustments pursuant to the adoption of ASU 2016-13	1,272,138
Net income	6,301,515
Balance at March 31, 2020	$ 25,673,528

See accompanying Notes to the Unaudited Condensed Financial Statements.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Condensed Statements of Cash Flows
Unaudited

	Three Months Ended March 31,	
	2021	2020
Operating activities		
Net income	$ 16,966,510	$ 6,301,515
Adjustments to reconcile net income to net cash attributable to operating activities:		
Depreciation and amortization	518,080	287,804
Net change in allowance for doubtful accounts	565,741	(72,435)
Deferred income taxes	(242,706)	300,934
Changes in assets and liabilities:		
Accounts receivable	(5,212,048)	(1,395,815)
Deposits and other assets	14,393	(16,928)
Due from affiliates	4,534,458	(12,231,938)
Accounts payable	1,640,704	395,780
Accrued salaries and commissions	(817,152)	856,613
Title fees payable	(325,489)	(215,829)
Allowance for title and escrow losses	(5,926)	292,558
Other items, net	(2,390,906)	7,363,653
Net cash attributable to operating activities	15,245,659	1,865,912
Investing activities		
Acquisition of property and equipment	(1,638,527)	(1,127,924)
Net cash attributable to investing activities	(1,638,527)	(1,127,924)
Financing activities		
Net transfers to parent	(11,663,991)	—
Net cash attributable to financing activities	(11,663,991)	—
Net increase in cash and cash equivalents	1,943,141	737,988
Cash, cash equivalents and restricted cash at beginning of period	1,951,997	2,761,721
Cash, cash equivalents and restricted cash at end of period (1)	$ 3,895,138	$ 3,499,709
Supplemental disclosure of cash flow information		
(1) The following table provides a reconciliation of cash, cash equivalents, and restricted cash to the amount reported within the Balance Sheets.		
Cash and cash equivalents	$ 3,565,466	$ 3,170,037
Restricted cash	329,672	329,672
Total cash, cash equivalents and restricted cash	$ 3,895,138	$ 3,499,709

Supplemental disclosure of non-cash investing and financing activities:

During the year ended December 31, 2020, Title365 Holding Co., entered into a purchase agreement with American Title, Inc., where Title365 Holding Co. purchased at carrying value certain assets including intangible assets - net for $1.9 million and property and equipment - net for $0.2 million.

See accompanying Notes to the Unaudited Condensed Financial Statements.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Unaudited Condensed Financial Statements

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Operations

The accompanying condensed financial statements and footnotes represent the operations of Title Carve Out (the "Company"), which is composed of two legal entities, Title365 Holding Co. and T365 Company LLC.

Title365 Holding Co. ("HoldCo") is a wholly owned subsidiary of Xome Holdings LLC. HoldCo is an underwritten title company engaged in the business of selling title insurance policies and escrow services throughout the United States. HoldCo was licensed in thirty-eight states as of December 31, 2020.

T365 Company LLC ("T365") is a wholly owned subsidiary of Nationstar Mortgage Holdings Inc. ("Nationstar"). T365 is an underwritten title company engaged in the business of selling title insurance policies and escrow services in the state of Ohio. T365 was formed on December 10, 2019, and will continue until terminated in accordance with the operating agreement.

During the year ended December 31, 2015, HoldCo was involved in a stock purchase agreement in which 100% of HoldCo's stock was sold to Nationstar. On July 31, 2018, Nationstar merged with WMIH Corp. ("WMIH"). On October 10, 2018, WMIH changed its name to Mr. Cooper Group Inc.

Basis of Presentation

The consolidated interim financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and in accordance with Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, the financial statements do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the carve-out audited consolidated financial statements and notes thereto for the year ended December 31, 2020.

The accompanying condensed carve-out financial statements represent Title Carve Out as though the Company was operating as a separate, stand-alone business since December 31, 2018. Title Carve Out is a carve-out of certain operations of Xome Holdings LLC ("Seller") and T365 Company LLC, both of which are subsidiaries of Mr. Cooper Group Inc. ("Seller Parent"). As of March 31, 2021, the Company was not a separate legal entity and accordingly, the condensed financial statements have been prepared on a "carve-out" basis for purposes of complying with the rules and regulations of the Securities and Exchange Commission Regulation S-X.

The accompanying carve-out balance sheets of the Company as of March 31, 2021 and December 31, 2020, and the related carve-out statements of operations, changes in invested equity and cash flows for the three months ended March 31, 2021 and 2020, have been prepared in accordance with GAAP using historical results of operations and historical bases of assets and liabilities of the Company, as well as using allocations and estimates where data was not maintained on a specific basis within the books and records. For purposes of presenting the condensed carve-out financial statements, allocations were required to determine the cost of general and administrative activities performed by the Company. Affiliates are defined herein as subsidiaries owned directly or indirectly by Mr. Cooper Group Inc., including the Seller ("Affiliates").

Management believes the assumptions underlying the condensed carve-out financial statements are reasonable, including the allocations described below under the caption *Allocations from the Seller Parent and Affiliates*. However, the condensed carve-out financial statements included herein may not necessarily represent what Title Carve Out's results of operations, financial position and cash flows would have been had it been a stand-alone entity during the periods presented, or what Title Carve Out's results of operations, financial position and cash flows may be in the future.

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Unaudited Condensed Financial Statements

As these condensed carve-out financial statements represent a business of the Seller Parent that is not a separate legal entity, the net assets of Title Carve Out have been presented herein as invested equity. Invested equity is composed primarily of: (i) the initial investment to acquire and establish the net assets of Title Carve Out (and any subsequent adjustments thereto); (ii) the accumulated net income; (iii) net transfers to or from Affiliates related to cash management functions performed by Affiliates, such as the collection of trade receivables and the payment of trade payables and wages and salaries, in the form of capital contributions or dividend payments; (iv) certain corporate cost allocations; and (v) changes in certain income tax liabilities and assets. Actual results could differ from these estimates.

Allocations from the Seller Parent and Affiliates

In addition to the carve-out of the operations and the net assets of Title Carve Out, certain general corporate expenses and shared services have been allocated to the Company, which consist of costs incurred related to: (i) facilities and acquisitions; (ii) information systems and technology; (iii) accounting and finance; (iv) and legal, risk and compliance. The allocated expenses are mainly composed of salaries, including variable compensation and other direct costs of the various functions. Allocations to the Company were based primarily on the Company headcount using shared expenses incurred by the Seller, Seller Parent and Affiliates on behalf of the Company, adjusted where a more specific allocation was deemed more appropriate.

2. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

Property and Equipment

Property and equipment consists of the following:

	March 31, 2021	December 31, 2020
Furniture and equipment	$ 828,584	$ 747,718
Computers and software	4,862,568	4,439,389
Leasehold improvements	312,786	341,036
Work in progress	53,938	—
Operating lease right-of-use assets	4,709,293	2,812,782
	10,767,169	8,340,925
Less accumulated depreciation and amortization	(1,930,626)	(1,745,957)
Property and equipment - net	$ 8,836,543	$ 6,594,968

Depreciation and amortization expense related to property and equipment was $388,080 and $157,804 for the three months ended March 31, 2021 and 2020, respectively.

Intangible Assets

The following tables present the composition of intangible assets:

	March 31, 2021			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Average Remaining Life in Years
Customer relationships	$ 1,800,000	$ (960,000)	$ 840,000	2.3
Technology	800,000	(426,667)	373,333	2.3
Total intangible assets	$ 2,600,000	$ (1,386,667)	$ 1,213,333	2.3

Title Carve Out
(a Carve-Out of Certain Operations of Mr. Cooper Group Inc.)
Notes to the Unaudited Condensed Financial Statements

	December 31, 2020			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Average Remaining Life in Years
Customer relationships	$ 1,800,000	$ (870,000)	$ 930,000	2.5
Technology	800,000	(386,667)	413,333	2.5
Total intangible assets	$ 2,600,000	$ (1,256,667)	$ 1,343,333	2.5

The Company recognized $130,000 of amortization expense related to its intangible assets during the three months ended March 31, 2021 and 2020. The Company had no impairment charges related to its intangible assets in either period.

3. OTHER LIABILITIES

Other liabilities consist of the following:

	March 31, 2021	December 31, 2020
Accounting and legal expenses	$ 106,551	$ 119,226
Deferred rent	20,473	79,508
Service fees	3,868,477	3,883,169
Outstanding checks and other accruals	1,735,910	3,981,054
Other liabilities	$ 5,731,411	$ 8,062,957

4. RELATED PARTY TRANSACTIONS

Companies affiliated with the Company by virtue of common ownership have paid for certain operational expenses on behalf of the Company. The Company has also paid for certain operational expenses on behalf of affiliates. Amounts due from affiliates totaled $3,541,790 at December 31, 2020, and amounts due to affiliates totaled $206,748 and $116,447 at March 31, 2021 and December 31, 2020, respectively. HoldCo transferred to its parent $11,663,991 for the three months ended March 31, 2021, as part of settling the affiliated transactions.

5. CONTINGENCIES

The Company is subject to pending and threatened legal actions related to its title and escrow activities. Any losses or expenses related to such cases are generally paid by the Company's underwriter to the extent covered by the Company's underwriting agreements.

The Company may, from time to time, be involved in various other claims and legal actions arising in the ordinary course of business. In the opinion of the Company's management and its counsel, the outcome of such matters will not have a material effect on the accompanying condensed financial statements.

Creating long-term customer value drives everything we do.

"Important in our selection process was choosing a technology partner who **understood our vision for taking the hassle out of the mortgage process**, allowing our team of mortgage professionals to focus on understanding and meeting our customers' needs."

Tom Wind
Executive Vice President, Consumer Lending

"**We want a consumer solution for all products** because we don't want our members to have different experiences on different platforms."

Ron Senci
Executive Vice President of Sales and Lending

"The thing that we like about Blend is that **they're forward-thinking**."

Tom Moreno
CIO

"Blend has been an **important part of the profitable growth** across our mortgage and home equity lending products."

Mark Shulman
Head of Consumer Lending

"Organizations like ours are looking for solutions that allow us to **transact business more effectively, remove potential defects and stumbling blocks out of the process**, and help us to **create a better customer experience at a lower cost**."

Chris Jones
President of Retail

"Blend helped us meet our goals of **delivering a superior experience** to our customers, while **accelerating our time to market**."

Eric Wu
Co-Founder and CEO

blend

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions, upon completion of this offering. All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee and the exchange listing fee.

	Amount to be Paid
SEC registration fee	$ *
FINRA filing fee	*
Exchange listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees	*
Miscellaneous expenses	*
Total	$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors and other corporate agents.

We expect to adopt an amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, we expect to adopt amended and restated bylaws, which will become effective immediately prior to the completion of this offering, and which will provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action,

suit or proceeding by reason of the fact that they are or were one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws are expected to provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that they are or were one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws will also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we have entered into or will enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are expected to be included in our amended and restated certificate of incorporation, amended and restated bylaws and the indemnification agreements that we have entered into or will enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement to be filed as Exhibit 1.1 to this registration statement will provide for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

Item 15. Recent Sales of Unregistered Securities.

Since June 21, 2018, we have issued the following unregistered securities:

Preferred Stock Issuances

In May 2019, we issued an aggregate of 3,984,906 shares of our Series E convertible preferred stock upon conversion of a convertible note at a purchase price equal to 80% of $1.584494 per share for an aggregate purchase price of approximately $5 million. From May 2019 to September 2019, we issued and sold an aggregate of 78,887,870 shares of our Series E convertible preferred stock to 29 accredited investors at a purchase price of $1.584494 per share for an aggregate purchase price of approximately $125 million.

From August 2020 to September 2020, we issued and sold an aggregate of 29,720,954 shares of our Series F convertible preferred stock to 12 accredited investors at a purchase price of $2.575906 per share for an aggregate purchase price of approximately $76.6 million.

From January 2021 to March 2021, we issued and sold an aggregate of 67,255,705 shares of our Series G convertible preferred stock to 10 accredited investors at a purchase price of $4.609274 per share for an aggregate purchase price of approximately $310 million.

Option Issuances

From June 21, 2018 through the filing date of this registration statement, we granted to our directors, employees, and consultants options to purchase an aggregate of 207,237,385 shares of our Class A common stock under our 2012 Stock Plan, at exercise prices ranging from approximately $0.29 to $4.67 per share.

On March 31, 2021, we granted to an employee a stand-alone option to purchase 78,171,543 shares of our Class A common stock, at an exercise price of $2.86 per share.

Warrants

In March 2019, warrants to purchase an aggregate of 1,263,120 shares of our Series D convertible preferred stock were exercised at an exercise price of $1.187535 per share, for an aggregate exercise price of approximately $1,499,999.

In November 2020, a warrant to purchase 8,420,804 shares of our Class A common stock was exercised at an exercise price of $1.187535 per share, for an aggregate exercise price of approximately $9,999,999.

In December 2020, a warrant to purchase 1,644,097 shares of our Series D-1 convertible preferred stock was exercised at an exercise price of $1.312419 per share, for an aggregate exercise price of approximately $2,157,744.

In March 2021, warrants to purchase an aggregate of 1,263,120 shares of our Series D convertible preferred stock were exercised at an exercise price of $1.187535 per share, for an aggregate exercise price of approximately $1,499,999.

In March 2021, a warrant to purchase 4,962,835 shares of our Series D-1 convertible preferred stock were exercised at an exercise price of $1.312419 per share, for an aggregate exercise price of approximately $6,513,319.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. We believe the offers, sales and issuances of the above securities were exempt from registration under the Securities Act (or Regulation D or Regulation S promulgated thereunder) by virtue of Section 4(a)(2) of the Securities Act because the issuance of securities to the recipients did not involve a public offering, or in reliance on Rule 701 because the transactions were pursuant to compensatory benefit plans or contracts relating to compensation as provided under such rule. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statement Schedules.

Exhibits

See the Exhibit Index immediately preceding the signature page hereto for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

Financial Statement Schedules

All financial statement schedules are omitted because the information called for is not required or is shown either in the consolidated financial statements or in the notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

EXHIBIT INDEX

Exhibit Number	Description
1.1*	Form of Underwriting Agreement.
2.1	Stock Purchase Agreement among the registrant, Title365 Holding Co., Xome Holdings LLC and, for the purposes of certain sections of the agreement, Mr. Cooper Group Inc., dated as of March 12, 2021.
3.1*	Amended and Restated Certificate of Incorporation of the registrant, as amended and currently in effect.
3.2*	Form of Amended and Restated Certificate of Incorporation of the registrant, to be in effect upon completion of this offering.
3.3	Amended and Restated Bylaws of the registrant, as amended, as currently in effect.
3.4*	Form of Amended and Restated Bylaws of the registrant, to be in effect upon completion of this offering.
4.1*	Form of Class A common stock certificate of the registrant.
4.2	Amended and Restated Investors' Rights Agreement, among the registrant and certain holders of its capital stock, dated as of January 11, 2021.
4.3*	Form of Warrant to Purchase Series D-1 Preferred Stock.
5.1*	Opinion of Wilson Sonsini Goodrich & Rosati, P.C.
10.1+*	Form of Indemnification Agreement between the registrant and each of its directors and executive officers.
10.2+*	Blend Labs, Inc. 2021 Equity Incentive Plan and related form agreements.
10.3+	Blend Labs, Inc. 2012 Stock Plan and related form agreements.
10.4+	Executive 2020 Bonus Plan.
10.5+	Executive Incentive Compensation Plan.
10.6+*	Form of Change in Control Severance Agreement.
10.7+	Outside Director Compensation Policy.
10.8+*	Confirmatory Employment Letter between the registrant and Nima Ghamsari, dated as of , 2021.
10.9+*	Confirmatory Employment Letter between the registrant and Timothy J. Mayopoulos, dated as of , 2021.
10.10+*	Confirmatory Employment Letter between the registrant and Crystal Sumner, dated as of , 2021.
10.11+*	Confirmatory Employment Letter between the registrant and Marc Greenberg, dated as of , 2021.
10.12+	Offer Letter between the registrant and Erin Collard, dated as of March 29, 2021.
10.13+	Offer Letter between the registrant and Roger W. Ferguson, dated as of March 29, 2021.
10.14+*	Blend Labs, Inc. Stand-Alone Stock Option Agreement between the registrant and Nima Ghamsari, dated as of March 31, 2021.
10.15*	Form of Exchange Agreement among the registrant, Nima Ghamsari.

Exhibit Number	Description
10.16*	Form of Equity Exchange Agreement between the registrant and Nima Ghamsari.
10.17	Office Lease between the registrant and 500 Pine Street Company LLC, dated as of December 1, 2016.
21.1	List of subsidiaries of the registrant.
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
23.2	Consent of WithumSmith+Brown, PC, Independent Registered Public Accounting Firm.
23.3*	Consent of Wilson Sonsini Goodrich & Rosati, P.C. (included in Exhibit 5.1).
24.1	Power of Attorney (included on page II-7).

* To be filed by amendment.
\+ Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in San Francisco, California, on the 21st day of June, 2021.

BLEND LABS, INC.

By: /s/ Nima Ghamsari
Nima Ghamsari
Head of Blend and Co-Founder

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Nima Ghamsari, Timothy J. Mayopoulos, Marc Greenberg, and Crystal Sumner, and each one of them, as their true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for them and in their name, place, and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by this registration statement that is to be effective on filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as they might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Nima Ghamsari Nima Ghamsari	Head of Blend, Co-Founder, and Director (*Principal Executive Officer)*	June 21, 2021
/s/ Marc Greenberg Marc Greenberg	Head of Finance and Head of People (*Principal Financial Officer)*	June 21, 2021
/s/ Jonathan Chan Jonathan Chan	Controller (*Principal Accounting Officer)*	June 21, 2021
/s/ Timothy J. Mayopoulos Timothy J. Mayopoulos	President and Director	June 21, 2021
/s/ Gerald C. Chen Gerald C. Chen	Director	June 21, 2021
/s/ Erin James Collard Erin James Collard	Director	June 21, 2021

Signature	Title	Date
/s/ Roger W. Ferguson, Jr. Roger W. Ferguson, Jr.	Director	June 21, 2021
/s/ Ann Mather Ann Mather	Director	June 21, 2021

EXECUTION VERSION

Exhibit 2.1

STOCK PURCHASE AGREEMENT

by and among

TITLE365 HOLDING CO.,

XOME HOLDINGS LLC,

BLEND LABS, INC.

and

solely for the purposes of Section 4.02, Section 4.04, Section 6.06, Section 6.11 and Section 11.13 of this Agreement,

MR. COOPER GROUP INC.

Dated as of March 12, 2021

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EXHIBITS

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Exhibit C	—	Form of Non-Competition and Non-Solicitation Agreement
Exhibit D	—	2021 Title365 Forecasted Depreciation Schedule
Exhibit E	—	Form of Stockholder Agreement
Exhibit F	—	Form of Transition Services Agreement
Exhibit G	—	Form of Intellectual Property Assignment Agreement

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is made as of March 12, 2021, by and among Title365 Holding Co., a California corporation (the "Company"), Xome Holdings LLC., a Delaware limited liability company (the "Seller"), Blend Labs, Inc., a Delaware corporation (the "Buyer") and, solely for purposes of Section 4.02, Section 4.04, Section 6.06, Section 6.11 and Section 11.13 of this Agreement, Mr. Cooper Group Inc., a Delaware corporation ("Parent"). Unless otherwise provided, capitalized terms used herein are defined in Article 1 below.

WHEREAS, the Seller, through the Company and the Company Subsidiaries, provides a national title insurance, settlement and escrow services platform in the real estate loan and mortgage industry, together with related ancillary offerings (such as loss mitigation services, deed in lieu, foreclosure title and REO title services, notary services, property reports and mobile signings) (collectively, the "Business");

WHEREAS, as of the date hereof, the Seller owns all of the issued and outstanding equity interests of the Company, which as of the date hereof consists of 10,000 shares of Common Stock (the "Shares");

WHEREAS, concurrently with the execution and delivery of this Agreement and as a material inducement to the willingness of Buyer to enter into this Agreement, certain employees of the Company (as listed on Schedule A attached hereto) have entered into an "at will" employment arrangements with Buyer, including offer letters and proprietary information and invention assignment agreements, in each case to be effective as of the Closing in accordance with their respective terms;

WHEREAS, concurrently with the execution and delivery of this Agreement and as a material inducement to the willingness of Buyer to enter into this Agreement, the Seller, the Company and Westcor Global Holdings, Inc. ("Westcor") have entered into a Stock Purchase Agreement, on the date hereof (the "X1 SPA"), providing for the sale of all of the shares of common stock of the X1 Joint Venture held by the Company to Westcor (the "X1 Sale");

WHEREAS, prior to the Business Day immediately preceding the Closing Date, Parent, the Seller, the Company and certain other subsidiaries of Parent will complete the transactions set forth on Exhibit A attached hereto (the "Pre-Closing Restructuring");

WHEREAS, following the completion of the Pre-Closing Restructuring, the issued and outstanding equity interests of the Company will consist of 901 shares of Class A Common Stock, no par value per share, to be sold to the Buyer in connection with the Closing (the "Sold Shares") and 99 shares of Class B Common Stock, no par value per share, to be retained by the Parent Group; and

WHEREAS, following the completion of the Pre-Closing Restructuring, and upon the terms and subject to the conditions set forth herein, the Buyer desires to acquire from the Seller, and the Seller desires to sell to the Buyer, as of the Closing, the Sold Shares.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1.
DEFINITIONS

Section 1.01 Definitions.

The following terms, as used herein, have the following meanings:

"Acquisition Proposal" means, other than the transactions contemplated by this Agreement, any offer, proposal or inquiry relating to, or any Person's indication of interest in, (i) the sale, license, disposition or acquisition of all or a material portion of the business or assets of the Company and the Company Subsidiaries (taken as a whole), (ii) the issuance, disposition or acquisition of (a) any capital stock or other equity security of the Company or any of the Company Subsidiaries, (b) any subscription, option, call, warrant, preemptive right, right of first refusal or any other right (whether or not exercisable) to acquire any capital stock or other equity security of the Company or any of the Company Subsidiaries, or (c) any security, instrument or obligation that is or may become convertible into or exchangeable for any capital stock or other equity security of the Company or any of the Company Subsidiaries or (iii) any merger, consolidation, business combination, reorganization or similar transaction involving the Company or any of the Company Subsidiaries; provided, however, that no transaction involving other assets or securities of Seller, Parent or any of Parent's Subsidiaries other than the Company and the Company Subsidiaries shall be an Acquisition Proposal.

"Action" means any action, inquiry, audit, investigation, claim, demand, arbitration, suit, litigation or other proceeding.

"actual fraud" means common law fraud with a specific intent to deceive (and not constructive fraud or negligent misrepresentation) under Delaware law.

"Affiliate" means (except as otherwise specifically defined herein), as to any Person, any other Person which, directly or indirectly, controls, or is controlled by, or is under common control with, such Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise. For the avoidance of doubt, the X1 Joint Venture is not an Affiliate of the Company.

"Affiliated Group" means any "affiliated group" (as defined in Section 1504 of the Code) filing a consolidated federal income Tax Return.

"Antitrust Authorities" means the Antitrust Division of the United States Department of Justice, the United States Federal Trade Commission or the antitrust or competition Law authorities of any other jurisdiction (whether United States, foreign or multinational).

"Assumed Liability" means any liability of the Company and the Company Subsidiaries that is primarily related to the Business (after giving effect to the Pre-Closing Restructuring); provided, that Assumed Liability shall include any liability (other than any Indemnified Taxes) primarily related to the Indian Employees and the Indian Assets as if the transfer occurred at the Closing (including any wind-down liabilities if Buyer fails to consummate the transactions contemplated by Section 2.06) (such liabilities described in this proviso, the "Indian Liabilities").

"Base Purchase Price" means an amount equal to US $500,000,000.

"Business Day" means any day other than a Saturday, Sunday or any other day on which banks are generally not open for business in New York, New York and San Francisco, California.

"Business Employee" means any individual who is employed by or provides services to an entity other than the Company or a Company Subsidiary but whose services relate primarily to the Business.

"Business Systems" means all Company Software, computer hardware (whether general or special purpose), electronic data processing, servers, telecommunications, networks, information technology systems, interfaces, platforms and third party application Software that runs on such platforms, websites and related information technology systems and services, that are owned, purported to be owned, leased, licensed or otherwise used by or for the Company or Company Subsidiaries in the conduct of the business of the Company or the Company Subsidiaries.

"Buyer Change of Control" means (i) any sale of all or substantially all of the assets of the Buyer and the Company, taken as a whole; and (ii) any merger, reorganization, recapitalization, consolidation, amalgamation, sale or issuance of the equity interests or assets of the Buyer or the Company or other transaction or series of transactions in which the equityholders of the Buyer or the Company holding a majority of the voting securities of the Buyer or the Company immediately prior to such transaction or series of related transactions own immediately thereafter less than a majority of the voting securities of the Buyer or the Company, or, if the Buyer or the Company does not survive such transaction or series of related transactions or such event is a sale of assets, the entity surviving such transaction or series of related transactions or the purchaser of assets in such transaction or series of related transactions.

"Buyer Pro Rata Share" means 90.1%.

"CARES Act" means the Coronavirus Aid, Relief and Economic Security Act, as signed into law by the President of the United States on March 27, 2020 as amended from time to time.

"Cash" means cash (including cash equivalents and marketable securities in accordance with GAAP, in each case, to the extent convertible to cash within thirty (30) days following the Closing) (net of any amounts associated with issued but uncleared checks, ACH debits and outbound wire transfers, but including any amounts associated with any deposited but uncleared checks, ACH credits and inbound wire transfers).

"Cash Amount" means all Cash held by the Company and the Company Subsidiaries as of 12:01 a.m. Pacific Time on the Closing Date minus the Restricted Cash Amount. For the avoidance of doubt, the Cash Amount shall be calculated after giving effect to the Pre-Closing Restructuring.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Company Disclosure Schedule" means the disclosure schedule delivered by Seller, on behalf of itself and the Company, to the Buyer on the date hereof.

"Company Group" means the Company and the Company Subsidiaries.

"Company IP" means (i) all Intellectual Property owned or purported to be owned by the Company or a Company Subsidiary, and (ii) all Intellectual Property assigned to the Company or a Company Subsidiary pursuant to the Intellectual Property Assignment Agreement (collectively, "Transferred IP").

"Company Product" means any Software, products or services owned, marketed, distributed, licensed, sold, offered for sale or otherwise made available to any Person by the Company or a Company Subsidiary.

"Company Software" means any proprietary Software developed for or primarily used in or for the Business that is owned or purported to be owned by the Company or a Company Subsidiary.

"Company Subsidiary" means any Subsidiary of the Company, after giving effect to the Pre-Closing Restructuring. For purposes of this Agreement, T365 Company LLC shall be deemed a Company Subsidiary and, for the avoidance of doubt, the X1 Joint Venture shall not be a Company Subsidiary.

"Contract" means any legally binding contract, agreement, lease, sublease, license, sublicense, sales order, purchase order, note, bond, mortgage, indenture, loan or credit agreement, conveyance to secure debt, deed of trust, instrument, arrangement, option, obligation, understanding or other commitment, whether written or oral.

"COVID-19" means SARS-CoV-2 or COVID-19, and any evolutions or mutations thereof or related or associated epidemics, pandemics or disease outbreaks.

"COVID-19 Measures" means any quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, shut down, closure, sequester, safety or similar legal requirement, directive, guidelines or recommendations promulgated by any Governmental Authority or quasi-governmental organization, including the Centers for Disease Control and Prevention, the World Health Organization and the Occupational Safety and Health Administration, in each case, in connection with or in response to COVID-19.

"Current Assets" means, as of 12:01 a.m. Pacific Time on the Closing Date, all current assets of the Company, determined on a consolidated basis for the Company and the Company Subsidiaries, in accordance with the Parent Accounting Principles and in a form and format consistent with the Sample Closing Statement; provided that Current Assets shall not include any Cash or Restricted Cash Amount. For the avoidance of doubt, Current Assets shall be calculated after giving effect to the Pre-Closing Restructuring.

"Current Liabilities" means, as of 12:01 a.m. Pacific Time on the Closing Date, all current liabilities of the Company, determined on a consolidated basis for the Company and the Company Subsidiaries, in accordance with the Parent Accounting Principles and in a form and format consistent with the Sample Closing Statement; provided that Current Liabilities shall not include the Indebtedness Amount and Seller Transaction Expenses. For the avoidance of doubt, Current Liabilities shall be calculated after giving effect to the Pre-Closing Restructuring.

"Debt Commitment Letter" means the debt commitment letter, together with all exhibits and schedules thereto, dated as of March 12, 2021, among the Buyer, Owl Rock Technology Advisors LLC and Owl Rock Technology Finance Corp., as amended, supplemented or replaced.

"Debt Financing" means the debt financing incurred or intended to be incurred pursuant to the Debt Commitment Letter.

"Debt Financing Entities" means the entities that have committed to provide or otherwise entered into agreements in connection with the Financing, or to purchase securities from or place securities or arrange or provide loans for the Buyer in lieu of the Debt Financing under the Debt Commitment Letter, in connection with the Sale, including the parties to the Debt Commitment Letter and any joinder agreements or credit agreements relating thereto.

"Debt Financing Parties" means the Debt Financing Entities and their respective Affiliates and their and their respective Affiliates' officers, directors, employees, agents and representatives and their respective successors and assigns; provided that neither Parent nor any Affiliate of the Buyer shall be a Debt Financing Party.

"Employee Benefit Plan" means any "employee benefit plan" (as defined in Section 3(3) of ERISA), whether or not subject to ERISA) and each other plan, contract or arrangement involving direct or indirect compensation, including each employment, retention, consulting, retirement, welfare, disability, death benefit, severance, redundancy, gratuity, incentive or bonus, deferred compensation, pension, profit sharing, vacation or paid-time-off, stock purchase, phantom stock, stock option, stock appreciation or other equity incentive plan, program, agreement or arrangement, and any other material employee benefit plan, program or arrangement, other than statutorily-mandated plans or programs, that is sponsored, maintained or contributed to by the Company or any of the Company Subsidiaries for the benefit of any current or former director, officer or employee of the Company or the Company Subsidiaries or with respect to which the Company or the Company Subsidiaries have any liability (whether absolute or contingent, including on account of any ERISA Affiliate).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, the regulations promulgated thereunder and any successor thereto.

"ERISA Affiliate" means any entity that, whether or not incorporated, is under common control with the Company within the meaning of Section 4001(a)(14) of ERISA or any entity that together with the Company, would be treated as a single employer under Section 414 of the Code.

"Excluded Liability" means any liability of the Company and the Company Subsidiaries that is not primarily related to the Business.

"Fundamental Representations" means, collectively, the representations and warranties contained in Section 3.01(a) (Organization and Qualification), Section 3.03(a) (Capitalization), Section 3.03(c) (Capitalization), Section 3.04(a) (Authority of the Company), Section 3.04(b)(i)-(ii) (Non-Contravention), Section 3.06 (Finder's Fees), Section 3.07 (Taxes), Section 3.13(a)(iii) (Assets), Section 4.01 (Existence and Power), Section 4.02 (Organizational Authorization), Section 4.04(i)-(ii) (Non-Contravention), Section 4.06 (Finder's Fees), Section 5.01 (Existence and Power), Section 5.02 (Organizational Authorization), Section 5.04(i)-(ii) (Non-Contravention) and Section 5.07 (Finder's Fees).

"GAAP" means United States generally accepted accounting principles.

"Generally Available Software" means Software owned by a third party that (a) is licensed to the Company or a Company Subsidiary solely in executable or object code form and (b) is generally available on and actually licensed under standard commercial terms, for either (i) annual payments by the Company or a Company Subsidiary of $50,000 or less or (ii) aggregate payments by the Company or a Company Subsidiary of $100,000 or less. Generally Available Software includes Open Source Software.

"Governmental Authority" means (a) any national, federal, state, county, municipal, local or foreign or supranational government, or other political subdivision thereof, and (b) any entity exercising executive, legislative, judicial, regulatory, tribunal, taxing or administrative functions of or pertaining to government.

"Harmful Code" means any "malware," "back door," "drop dead device," "time bomb," "Trojan horse," "virus," "worm," "malware," "software lock," "trap door," "vulnerability," "spyware," or "malicious logic" (as such term is commonly understood in the software industry) or any other code designed or intended to have, or capable of performing or facilitating, any of the following functions: (i) disrupting, disabling, harming or otherwise impeding in any manner the operation of, or providing unauthorized access to, a computer system or network or other device on which such code is stored or installed or (ii) compromising the privacy or security of any data or damaging or destroying any data or file without consent.

"Indebtedness" means, without duplication, all liabilities and obligations of such Person in respect of (i) indebtedness for borrowed money; (ii) indebtedness evidenced by bonds, debentures, notes, mortgages, letters of credit or performance bonds (to the extent such letters of credit or performance bonds have been drawn) or other similar instruments or securities; (iii) deferred purchase price of assets, property, goods, securities or services (including contingent obligations such "earn-outs," incentive payments, seller notes, post-closing true-up obligations, milestone obligations or other similar payments or obligations for the extent not paid prior to the Closing) (whether contingent or otherwise), but, in each case, excluding trade accounts payable arising in the ordinary course of business (not overdue by more than ninety (90) days (unless being contested in good faith)); (iv) net obligations of such Person with respect to derivative financial instruments, including hedges, forward contracts, and interest rate and other swaps; (v) lease obligations to the extent any such lease is classified as a capitalized capital lease or capitalized finance lease in the Current Financial Statements or should be recorded as a capitalized capital lease or capitalized finance lease in accordance with GAAP (other than lease obligations which would not have been capitalized under GAAP prior to the implementation of ASC 842); (vi) purchase money loans, seller financing or similar arrangements; (vii) any declared but unpaid dividends or distributions payable to the Seller or its Affiliates; (viii) obligations of another Person of the types set forth in clauses (i) through (vii) which such Person may be responsible or liable as obligor, guarantor, surety or otherwise, including any guarantee of such obligations, directly or indirectly; (ix) all unpaid Taxes for any Pre-Closing Tax Period (or portion of a Straddle Period ending on the Closing Date as determined in accordance with the principles set forth in Section 8.05(b)), which amount, for the avoidance of doubt, shall not be an amount less than zero and any corresponding costs of preparation; (x) the aggregate amount of all Taxes (including any "applicable employment taxes") deferred by the Company or any of the Company Subsidiaries under Section 2302 of the CARES Act and all other amounts received from Governmental Authorities as a result of COVID-19 Measures (including any forgivable loans pursuant to the CARES Act to the extent not repaid or forgiven prior to the Closing); and (xi) all accrued or unpaid interest, premiums, breakage costs or penalties and fees and expenses on the foregoing which would be payable if such obligations were paid in full as of such date; provided that Indebtedness shall not include any intercompany indebtedness solely among the Company Group, or by the Buyer or its Subsidiaries to another of the Buyer or its Subsidiaries.

"Indebtedness Amount" means the Indebtedness of the Company and the Company Subsidiaries as of 12:01 a.m. Pacific Time on the Closing Date. For the avoidance of doubt, Indebtedness shall be calculated after giving effect to the Pre-Closing Restructuring.

"Indemnified Taxes" means, without duplication, any (a) Taxes of the Company or the Company Subsidiaries for any Pre-Closing Tax Period (or portion of a Straddle Period ending on the Closing Date as determined in accordance with the principles set forth in Section 8.05(b)); (b) Taxes of Seller or any Affiliate of Seller (excluding the Company or the Company Subsidiaries) for any taxable period; (c) Taxes attributable to the Pre-Closing Restructuring; (d) Taxes of any Person imposed on the Company or the Company Subsidiaries for any Tax period as a transferee or successor, or pursuant to any Contract (other than any customary commercial Contract entered into in the ordinary course of business the principal subject of which is not Taxes), in each case, in respect of any transaction or event occurring on or prior to the Closing Date; (e) Taxes of a member of an affiliated, consolidated, combined or unitary group (other than any such group the parent of which is the Company) of which the Company or the Company Subsidiaries are or were a member on or before the Closing Date, which are imposed under Treasury Regulations Section 1.1502-6 (or any analogous provision of state or local Tax law) on the Company or the Company Subsidiaries; and (f) any Taxes imposed on the Buyer or the Buyer's Subsidiaries resulting from the transfer of the Indian Business pursuant to Section 2.06, including any such Taxes imposed on the Buyer or the Buyer Subsidiaries as a transferee or successor and any Taxes attributable to the ownership and operation of the Indian Business prior to the date of the transfer of the Indian Business, other than, in each case, Transfer Taxes, which are the subject of Section 8.05(e).

"Insurance Laws" means any applicable U.S. or non-U.S. federal, state, local or other constitution, law, statute, ordinance, rule, regulation, procedural rule, published administrative position, policy or principle of common law issued, enacted, adopted, promulgated, implemented or otherwise put into legal effect by or under the authority of any Governmental Authority with respect to title insurance or escrow services, including, without limitation, RESPA and Unfair, Deceptive or Abusive Acts or Practices pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

"Intellectual Property" means and includes all intellectual property and proprietary rights of any kind, whether registered or unregistered, which may exist or be created under the Laws of any jurisdiction worldwide, including: (a) patents and patent applications (including but not limited to continuations, continuations-in-part, divisionals, renewals, reissues, reexaminations, substitutions and foreign counterparts relating to any such patents and patent applications and industrial property rights, and extensions thereof) (collectively, "Patents"), (b) copyrights, any other equivalent rights associated with works of authorship, and related moral rights and other related rights of authors, and including any applications for any of the foregoing, (c) rights associated with URL, domain name registrations, and social media identifiers (collectively, "Internet Properties") (d) trademarks, service marks, logos, trade names and trade dress, service name, corporate names and other source indicators, and including any applications for any of the foregoing (collectively, "Trademarks"), (e) trade secrets and confidential information (including, but not limited to, ideas, research and development, know-how, inventions, whether patentable or unpatentable and whether or not reduced to practice, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, flow-charts, specifications, customer, sales prospect and supplier lists, financial, marketing and business data, pricing and cost information, and marketing plans and proposals) that derive independent economic value, whether actual or potential, from not being known to other persons (collectively, the "Trade Secrets"), (f) rights in database and data collections (including knowledge databases, customer lists and customer databases), (g) all registrations and applications (including, without limitation, provisional applications), renewals, reissues and extensions of any of the foregoing, and (h) other similar or equivalent intellectual property rights anywhere in the world.

"Intellectual Property Assignment Agreement" shall mean the Intellectual Property Assignment Agreement to be entered into at the Closing substantially in the form of Exhibit G hereto.

"Knowledge" when used in the phrase "to the Knowledge of the Company," "to the Knowledge of the Seller" or similar phrases means, and shall be limited to, the actual knowledge of the individuals set forth on Schedule 1.01(A) of the Company Disclosure Schedule after reasonable inquiry of direct reports.

"Latest Balance Sheet" means the unaudited consolidated balance sheet of the Company and the Company Subsidiaries as of December 31, 2020.

"Licensee Party" shall mean a Party in its capacity as the licensee of the rights or licenses granted to it by the other Party pursuant to Section 8.10.

"Licensor Party" shall mean a Party in its capacity as the licensor or grantor of any rights or licenses granted by it to the other Party pursuant to Section 8.10.

"Lien" means, with respect to any property, equity interest or asset, any mortgage, deed of trust, hypothecation, lien, encumbrance, pledge, charge, security interest, right of first refusal, right of first offer, adverse claim, restriction on transfer, covenant or option to purchase in respect of such property, equity interest or asset.

"Losses" or "Loss" means all losses, liabilities, Taxes, damages or expenses (including reasonable legal, accountants' and other fees and expenses), fines, penalties, interest, or costs paid or incurred.

"made available" means a document or other item of information that was not less than two (2) days prior to the date hereof provided or made available for review by the Buyer and its representatives (and if provided through the electronic data site established for "Project Xccelerate" by Intralinks on behalf of the Company (which was not thereafter removed prior to the date of this Agreement) to which the Buyer and its representatives have been given access (it being understood and agreed that as soon as practicable after the date of this Agreement, the Seller shall deliver to the Buyer on optical media format a complete and accurate copy of the contents of such as of the date immediately preceding the date of this Agreement).

"Material Adverse Effect" means any effect, event, development, occurrence, circumstance, state of facts or change ("Effect") that, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on (x) the business, financial condition or results of operations of the Business, the Company and the Company Subsidiaries, taken as a whole, or (y) the ability of the Seller to consummate the transactions contemplated by this Agreement; provided that, for purposes of this Agreement, a Material Adverse Effect pursuant to clause (x) shall not include or take into account any Effect of (a) the general conditions or trends in the industries or businesses in which the Business is operated or in which any of the Company or Company Subsidiaries operates, including competition in geographic, product or service areas, (b) the execution, announcement or pendency of the transactions contemplated herein, including the impact thereof on the relationships of the Business, the Seller, the Company or Company Subsidiaries with third parties (other than as a result of a breach of Section 3.04(b)(iii) or Section 4.04), (c) general political, regulatory, economic conditions or changes, (d) changes in or the condition of financial, banking or securities markets (including interest rates, exchange rates, tariffs, trade wars and credit markets), (e) military action, act of civil unrest, civil disobedience, war or any act of terrorism, cyberterrorism, military activity, sabotage or cybercrime, including an escalation of hostilities or worsening of any such conditions threatened or existing on the date of this Agreement, (f) changes in Law or GAAP after the date hereof, (g) the compliance by Parent, the Seller or the Company Group in with applicable Law, (h) actions taken that are expressly required by this Agreement, (i) a hurricane, earthquake or other natural or manmade disasters, epidemics, pandemics or disease outbreaks (including COVID-19) or other acts of God, (j) the failure of the Business or Parent or any of its Subsidiaries (including the Company or the Company Subsidiaries) to meet or achieve the results set forth in any internal, analyst, published or other projection (provided, that this clause (j) shall not prevent a determination that any change or effect underlying such failure to meet projections or forecasts has resulted in a Material Adverse Effect if such change or effect is not otherwise excluded from determining whether there is a Material Adverse Effect), (k) any action taken or omitted from being taken at the specific written request of the Buyer (it being understood and agreed that any omitted action resulting from the decision by the Buyer to withhold its consent pursuant to Section 6.01 shall not constitute an action omitted from being taken at the specific written request of the Buyer) or (l) any action that is expressly required by this Agreement; except in the case of clauses (a), (c), (d), (e), (f) and (i) above, to the extent such Effect that has a disproportionate and adverse impact on the Business and the Company and the Company Subsidiaries, taken as a whole, relative to other participants in the industries in which the Business operates, then the incremental disproportionate adverse effect of such matter on the Business (to the extent not otherwise excluded by the definition of a Material Adverse Effect) may be taken into account in determining whether a Material Adverse Effect has occurred or is occurring.

"Money Laundering Laws" means all Laws that may be enforced by any Governmental Authority relating to anti-money laundering statutes, laws, regulations and rules, including, but not limited to, the following in the United States (together with their implementing regulations, in each case, as amended from time to time): the Bank Secrecy Act (31 U.S.C. §5311 et seq.; 12 U.S.C. §§1818(s) 1829(b), 1951-1959), as amended by The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 and 18 U.S.C. §§ 1956, 1957 and 1960.

"Net Working Capital" means an amount equal to (a) the Current Assets minus (b) the Current Liabilities, in each case, without duplication and without giving effect to the Sale, and calculated in accordance with the Parent Accounting Principles; provided that in no event shall "Net Working Capital" include any amounts to the extent included in or with respect to (i) Indebtedness or Cash or (ii) amounts outstanding pursuant to intercompany accounts, arrangements, understandings or Contracts actually settled or eliminated at or prior to Closing; provided, further, that in no event shall "Net Working Capital" include any amounts with respect to Tax assets or Tax liabilities.

"Net Working Capital Amount" means the Net Working Capital as of 12:01 a.m. Pacific Time on the Closing Date. For the avoidance of doubt, the Net Working Capital Amount shall be calculated after giving effect to the Pre-Closing Restructuring.

"Non-Competition and Non-Solicitation Agreement" means the Non-Competition and Non-Solicitation Agreement in the form attached hereto as Exhibit C.

"OFAC Laws" means all Laws (1) administered and enforced in whole or in part by the Office of Foreign Assets Control of the United States Department of the Treasury or (2) otherwise relating to the enforcement of economic and trade sanctions based on United States foreign policy and national security goals, including, but not limited to, the following (together with their implementing regulations, in each case, as amended from time to time): the International Security and Development Cooperation Act (ISDCA) (22 U.S.C. §23499aa-9 et seq.); the Trading with the Enemy Act (TWEA) (50 U.S.C. §5 et seq.); the International Emergency Economic Powers Act (50 U.S.C. §1701 et seq.); the Antiterrorism and Effective Death Penalty Act (8 U.S.C. §1189 et seq.); and the United Nations Participation Act (22 U.S.C. §287c et seq.).

"Open Source Software" means any Software licensed, provided or distributed under any open-source or similar license, including any license meeting the Open Source Definition (as promulgated by the Open Source Initiative) or the Free Software Definition (as promulgated by the Free Software Foundation) (including the GNU General Public License (GPL), GNU Lesser General Public License (LGPL), Mozilla Public License (MPL), BSD licenses, the Artistic License, the Netscape Public License, the Sun Community Source License (SCSL), the Sun Industry Standards License (SISL), Open Source Initiative and the Apache License).

"ordinary course" means the ordinary and regular course of business of the Company and the Company Subsidiaries, in substantially the same matter heretofore conducted; provided that, actions taken (or omitted) in response to a condition or conditions arising from the COVID-19 pandemic, including COVID-19 Measures, shall be deemed ordinary course, so long as such actions (or omissions) are consistent with such Person's actions (or omissions) taken prior to the date of this Agreement in response to COVID-19.

"Outside Date" means the date that is five (5) months after the date hereof.

"Overhead and Shared Services" means any ancillary or corporate shared services that are furnished by or on behalf of Parent or any of its Subsidiaries to both the Business and any other business of Parent or its Subsidiaries, including, as applicable, financial reporting, tax, treasury, insurance, corporate development, legal, investor relations, internal audit, travel, human resources, payroll, global mobility, executive compensation, benefits, information technology and application support services, in each case, to the extent set forth in the Draft Services Exhibit provided by the Seller to the Buyer.

"Parent Accounting Principles" means (i) the policies set forth on Exhibit B-1, (ii) to the extent not inconsistent with (i), the historical accounting principles, practices, methodologies and policies applied by Parent in the preparation of the Current Financial Statements for the fiscal year ending December 31, 2020, only to the extent consistent with GAAP, and (iii) to the extent not addressed in clauses (i) or (ii), GAAP. For the avoidance of doubt, in the event of a conflict between such historical accounting principles, practices, methodologies and policies described in clause (ii) and GAAP, GAAP shall control.

"Parent Group" means the Parent, the Seller and their respective Subsidiaries (other than Company and the Company Subsidiaries).

"Parent Names" shall mean the names, marks, trade dress, logos, monograms, domain names and other source or business identifiers of any member of the Parent Group or the Company Group that use or contain "Mr. Cooper" or "Xome," in each case either alone or in combination with other words or elements, and all names, marks, trade dress, logos, domain names and other source or business identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing.

"Payoff Letters" means the payoff letters for each item of Indebtedness (of the type set forth in clause (i) or (ii) of the definition thereof), if any, of the Company or any of the Company Subsidiaries included in the Indebtedness Amount (as set forth in the Closing Statement), in a customary form and duly executed by the applicable creditor or applicable trustee or agent on its behalf indicating, among other things, that upon payment of a specified amount (the "Payoff Amount") on the Closing Date, (i) (solely in the event such Indebtedness is secured by assets and properties of the Company or any of the Company Subsidiaries) such holder or the applicable trustee or agent on its behalf shall immediately release its Liens and other security interests in, and agree to execute Uniform Commercial Code Termination Statements (if applicable) and such other documents or endorsements necessary to release its Liens and other security interest in, the assets and properties of the Company and the Company Subsidiaries, and (ii) all obligations (including any guarantees) of the Company and the Company Subsidiaries with respect to such Indebtedness shall be terminated.

"Permitted Liens" means any (a) Liens in respect of Taxes, assessments or other governmental charges or levies the validity of which is being contested in good faith by appropriate proceedings for which adequate reserves have been established on the books of the Company or the Company Subsidiaries or Liens in respect of Taxes not yet due and payable; (b) mechanics', carriers', workmen's, repairmen's, statutorily imposed or other like Liens imposed by Law and arising or incurred in the ordinary course of business that are not yet due and payable; (c) with respect to the Leased Real Property, zoning, building codes and other land use Laws regulating the use or occupancy of such Leased Real Property or the activities conducted thereon that are imposed by any Governmental Authority having jurisdiction over such Leased Real Property, which do not materially interfere with the present use or value of the properties they affect or are otherwise immaterial in nature and that are not violated by the current conduct of the Business; (d) Liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business; (e) Liens disclosed on the face of the Latest Balance Sheet; (f) Liens created under federal, state or foreign securities Laws; (g) Liens affecting the assets or property of the Business, the Company or the Company Subsidiaries that are discharged at or prior to the

Closing; (h) non-exclusive licenses or other similar rights granted to Company IP in the ordinary course of business; (i) Liens created by the Buyer or its Affiliates from and after the Closing; or (j) immaterial Liens that do not materially impair the existing use of the assets or property of the Business affected by such Lien.

"Person" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

"Personal Data" means information that identifies or is reasonably capable of identifying, directly or indirectly, a natural person, including name, voice or likeness, street address, telephone number, email address, photograph, social security number, driver's license number or passport number, and any information defined as "personal data," "personally identifiable information" or any similar term under any Privacy and Information Security Requirement.

"Pre-Closing Tax Period" means any taxable period ending on or before the Closing Date.

"Privacy and Information Security Requirements means all Laws relating to the Processing of Personal Data, including the Federal Trade Commission Act ("FTC Act"), the Controlling the Assault of Non-Solicited Pornography And Marketing Act of 2003 ("CAN-SPAM"), the Telephone Consumer Protection Act ("TCPA"), the Fair Credit Reporting Act ("FCRA"), the Gramm–Leach–Bliley Act ("GLBA"), the Health Insurance Portability and Accountability of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act ("HIPAA") and the California Consumer Privacy Act ("CCPA").

"Processing" means the collection, use, access, storage, processing, recording, distribution, transfer, import, export, privacy, protection (including security measures), disposal or disclosure or other activity regarding Personal Data (whether electronically or in any other form or medium).

"Purchase Price" means an amount equal to: (a) the Buyer Pro Rata Share multiplied by (b) an amount equal to (i) the Base Purchase Price, (ii) minus the X1 Purchase Price, (iii) minus the Indebtedness Amount, (iv) minus the (A) excess of the Target Net Working Capital Amount over the (B) Net Working Capital Amount, if any, (v) minus the (A) the excess of the Target Cash Amount over the (B) Cash Amount, if any, (vi) plus the (A) the excess of the Cash Amount over the (B) Target Cash Amount, if any, minus (c) the Seller Transaction Expenses.

"R&W Policy" means that certain buyer-side representation and warranty insurance policy having policy number ET111-002-485 (as may be amended, modified or otherwise supplemented from time to time) issued by Euclid Transactional, LLC for the benefit of the Buyer that is being conditionally bound as of the date hereof.

"Reference Date" means the date that is three (3) years prior to the date of this Agreement.

"Registered IP" means all Company IP that is registered, filed or issued under the authority of any Governmental Authority or domain name registrar, including all Patents, registered copyrights, registered Trademarks, domain names and all applications for any of the foregoing.

"Required Employees" means the individuals set forth on Schedule 1.01(B) of the Company Disclosure Schedule.

"RESPA" means the Real Estate Settlement Procedures Act of 1974 and its underlying regulation, Regulation X.

"Restricted Cash" means any Cash which is not freely usable by the Company or the Company Subsidiaries because it is subject to restrictions on use or distribution by Law, Contract or otherwise and constitutes restricted cash in accordance with GAAP.

"Restricted Cash Amount" means all Restricted Cash held by the Company and the Company Subsidiaries, in each case, as of 12:01 a.m. Pacific Time on the Closing Date. For the avoidance of doubt, the Restricted Cash Amount shall be calculated after giving effect to the Pre-Closing Restructuring.

"Retained Earnings" means (i) the pre-tax income of the Company and the Company Subsidiaries on a consolidated basis, (ii) minus estimated income Taxes (using an assumed effective tax rate of 24% plus the amount of any increase or minus the amount of any decrease in the effective federal income tax rate due to a change in such rate adopted between the date of this Agreement and the Closing Date) and capital expenditures, (iii) plus depreciation and amortization of the Company's and the Company Subsidiaries' existing assets and intangibles in accordance with the Parent Accounting Principles and the 2021 Title365 forecasted depreciation schedule set forth on Exhibit D hereto, (iv) plus the amount of cash distributions received by the Company or any Company Subsidiary from the X1 Joint Venture; provided that in no event shall Retained Earnings be less than zero. Retained Earnings shall be (i) calculated in accordance with the illustration set forth on Exhibit B-2 hereto and (ii) measured from (A) 12:01 a.m. Pacific Time on the date immediately after the date of this Agreement until (B) 12:01 a.m. Pacific Time on the Closing Date.

"Sample Closing Statement" means the sample Closing Statement setting forth the calculation of each of (i) the Cash Amount, (ii) the Indebtedness Amount and (iii) the Net Working Capital Amount, in each case as if the Closing occurred on December 31, 2020, attached as Exhibit B-3 hereto.

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

"Seller Licensed IP" means Intellectual Property (other than Patents, Trademarks and Internet Properties) that are (i) owned by the Parent Group as of the Closing Date, (ii) not included in the Company IP and (iii) practiced, used or exploited by, or absent a license thereto or ownership thereof, would be infringed by, the Business as of the Closing Date.

"Seller Transaction Expenses" means, without duplication, to the extent not satisfied in full by the Seller, the Company or the Company Subsidiaries prior to the Closing, the aggregate amount of (i) unpaid out-of-pocket fees, costs and expenses of attorneys, accountants, investment bankers and other advisors or service providers of the Company and the Company Subsidiaries relating to the transactions contemplated hereunder and by the Transaction Documents (including any strategic transaction process prior to the transactions contemplated hereby) for services performed by such third parties prior to the Closing, (ii) all payment obligations of the Company or the Company Subsidiaries that become due as a result of the transactions contemplated hereunder, including under any change of control, severance, transaction bonus, "success," stay or similar agreement or arrangement with any director, employee or service provider of the Company or the Company Subsidiaries or third parties, whether payable prior to, upon or after the Closing by the Company or the Company Subsidiaries with respect thereto and the employer portion of any associated employment Taxes required to be paid by the Company or the Company Subsidiaries with respect thereto, and (iii) 50% of the premium incurred in connection with the R&W Policy (if and only if the Buyer shall have actually paid the other 50% of such premium). In no event, however, will (x) any obligations resulting from arrangements entered into by or for the account of the Buyer or any of its Affiliates, or any obligations resulting from arrangements entered into by the Company or the Company Subsidiaries, in each case, after the Closing, or (y) severance payments payable due to the termination of any employee following Closing be considered Seller Transaction Expenses.

"Shared Contract" means any Contract to which the Seller or Parent or any of their respective Subsidiaries (other than the Company and the Company Subsidiaries) is a party with any non-Affiliated third party and which (a) benefits or burdens the business of the Company and/or the Company Subsidiaries, and (b) that is material to the business of the Company and/or the Company Subsidiaries; provided that in no event shall Shared Contracts include (x) any Contracts solely for Overhead and Shared Services or (y) Contracts the benefits of which are delivered to the Business, the Company or any Company Subsidiaries under the Transaction Documents.

"Software" means any computer software, computer program, operating system, applications system, application programming interfaces, firmware or other software of any nature, whether in machine readable form, source code, object code, or a programming language or any other language or symbols, whether operational, under development or inactive, and any associated data files, documentation, user manuals and training materials related to the foregoing.

"Stockholder Agreement" means that certain stockholder agreement of the Company, substantially in the form attached hereto as Exhibit E, to be entered into and effective as of the Closing.

"Straddle Period" means any Tax period that includes, but does not end on, the Closing Date.

"Subsidiary" means, with respect to a Person, a corporation or other entity of which more than fifty percent (50%) of the voting power of the equity securities or equity interests is owned, directly or indirectly, by such Person.

"Target Cash Amount" means the sum of (i) US $300,000, plus (ii) the Retained Earnings, plus (iii) the Restricted Cash Amount.

"Target Net Working Capital Amount" means US $10,636,815.04.

"Tax" means any federal, state, local or foreign income, capital gains, gross income, gross receipts, sales, use, transfer, ad valorem, franchise, profits, license, capital, withholding, payroll, employment, real property, personal property, alternative, value added, branch profits, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, social security, disability, registration, ad valorem, or add-on minimum or estimated tax or other tax of any kind whatsoever, including any interest, penalty, or addition thereto.

"Tax Return" means any return, declaration, report, claim for refund, information return or other form (including, without limitation, schedules or any related or supporting information) or statement filed or required to be filed with any Governmental Authority with respect to Taxes.

"Technology" means any tangible embodiments of Intellectual Property rights regardless of form, including: (i) inventions (whether or not patentable) and invention disclosures; (ii) confidential information and other proprietary information (whether or not protectable as Trade Secret), including without limitation, algorithms, diagrams, know-how, lab notebooks, network configurations and architectures, methods, processes, formulae, compositions, routines, protocols, schematics, specifications, technical data, user interfaces, databases and data collections, business plans, proposals, designs, customer data, financial information, pricing and cost information, bills of material, reports, performance data, quality data; and (iii) published and unpublished works of authorship, including Software and mask works.

"Transaction Documents" means this Agreement, the Transition Services Agreement, the Stockholder Agreement, the Non-Competition and Non-Solicitation Agreement and any certificate, instrument or other deliverable required pursuant to this Agreement.

"Transition Services Agreement" means that certain transition services agreement, substantially in the form attached hereto as Exhibit F, pursuant to which the Buyer may purchase from the Seller or one or more of its Affiliates certain transition services as described therein.

"Unclaimed Property Laws" means all Laws that may be enforced by any Governmental Authority relating to unclaimed property, abandoned property and escheat, including travelers checks, wire transfers, stored value cards, money orders and other payment instruments, whether or not negotiable.

"WARN Act" means the United States Worker Adjustment and Retraining Notification Act of 1988, as amended.

"willful breach" means a material breach of this Agreement that is the consequence of an act or omission by a party with the actual knowledge that the taking of such act or failure to take such action would be, or would reasonably be expected to be, a breach of this Agreement.

"X1 Joint Venture" means X1 Analytics, Inc., a Texas corporation (f/k/a Xome Analytics Inc.).

"X1 Purchase Price" means the purchase price actually received by Seller or its Subsidiaries pursuant to the X1 SPA.

Section 1.02 Cross-References to Other Defined Terms.

Each term listed below is defined in the Section of this Agreement listed opposite such term:

Affiliate Agreement	Section 3.17(p)
Agreement	Preamble
Antitrust Laws	Section 3.04(c)
Approvals	Section 3.19(a)
Audited Financial Statements	Section 6.10(b)
Bankruptcy Code	Section 8.10(f)
Business	Recitals
Buyer	Preamble
Buyer 401(k) Plan	Section 8.01(c)
Buyer Indemnified Parties	Section 9.02(a)
Buyer Indemnifying Parties	Section 9.02(b)
Buyer India Employee Benefits	Section 6.16
Buyer Licensees	Section 8.10(a)
Buyer Licensors	Section 8.10(b)
Buyer Prepared Returns	Section 8.05(a)(ii)
Buyer Releasee	Section 6.11
Buyer Releasor	Section 6.11
Claim Notice	Section 9.02(g)
Claims Made Policies	Section 8.09(b)
Closing	Section 2.03(a)
Closing Date	Section 2.03(a)
Closing Statement	Section 2.01
Company	Preamble
Company Continuing Employee	Section 8.01(a)
Company Privacy Commitments	Section 3.16(a)
Company Privacy Policy	Section 3.16(a)
Controlling Party	Section 9.02(h)

Corporate Names	Section 6.04(a)
Current Financial Statements	Section 3.09(a)
Current Legal Counsel	Section 11.15(a)
Current Representation	Section 11.15(a)
Debt Commitment Letter	Section 6.13(c)
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X1 Sale	Recitals
X1 SPA	Recitals

ARTICLE 2.
PURCHASE AND SALE

Section 2.01 Estimated Purchase Price. Not less than five (5) Business Days prior to the Closing Date, the Seller will prepare and deliver to the Buyer a reasonably detailed statement, together with reasonable supporting documentation, prepared using then available financial information and certified on behalf of the Seller by its chief financial officer, setting forth (a) a good faith estimate of the Purchase Price (such estimate is referred to as the "Estimated Purchase Price"), (b) a good faith estimate of the Net Working Capital Amount, (c) a good faith estimate of the Cash Amount, (d) a good faith estimate of the Indebtedness Amount, (e) a good faith estimate of the Seller Transaction Expenses, (f) a good faith estimate of the Target Cash Amount and (g) a good faith estimate of the Retained Earnings (including each component thereof), in each case as of 12:01 a.m. Pacific Time on the Closing Date (the "Closing Statement"). The Closing Statement shall be prepared in accordance with the Parent Accounting Principles and in a form and format

consistent with the Sample Closing Statement. Upon receipt of such estimates, the Buyer shall be permitted to review and provide comments regarding such estimates to the Seller prior to the Closing Date, which comments the Seller shall consider in good faith. If the parties agree on any changes to the Closing Statement, the Closing Statement and Estimated Purchase Price for purposes of this Section 2.01 and for purposes of the payments required pursuant to Section 2.02 shall be updated to reflect such revisions. If the parties do not agree on any changes to the Closing Statement, the Closing Statement and Estimated Purchase Price delivered by Seller shall be the Closing Statement and Estimated Purchase Price for purposes of this Section 2.01 and for purposes of the payments required pursuant to Section 2.02.

Section 2.02 Purchase and Sale of Shares.

(a) Purchase and Sale of the Sold Shares. At the Closing, upon the terms and subject to the conditions set forth in this Agreement, the Seller shall sell, assign, transfer and convey to the Buyer, and the Buyer shall purchase and acquire from the Seller, all of the Sold Shares held by the Seller, free and clear of all Liens, except Liens under applicable securities Laws, for and in consideration of the Purchase Price for the Sold Shares as set forth herein (the "Sale").

(b) Purchase Price for Shares. At the Closing, the Buyer shall pay the Estimated Purchase Price in cash to the Seller by wire transfer of immediately available funds to the account(s) designated by the Seller in the Closing Statement.

Section 2.03 The Closing.

(a) The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Latham & Watkins LLP, 140 Scott Drive, Menlo Park, California 94025, or at such other location as the Buyer and the Seller agree, at a date and time specified by the Buyer and the Seller, which date shall be no later than five (5) Business Days following the satisfaction or waiver of the conditions set forth in Article 7 (other than conditions which, by their nature, are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing). The date upon which the Closing actually occurs is herein referred to as the "Closing Date."

(b) Upon the terms and subject to the conditions set forth in this Agreement, the parties hereto shall consummate the following transactions as of the Closing:

(i) the Buyer shall make the payment set forth in Section 2.02;

(ii) the Buyer shall deliver all agreements, documents, instruments or certificates required to be delivered by the Buyer at or prior to the Closing pursuant to Section 7.03; and

(iii) the Seller and the Company shall deliver all agreements, documents, instruments or certificates required to be delivered by the Seller at or prior to the Closing pursuant to Section 7.02;

(iv) the Seller shall deliver a certificate of the Secretary of the Seller certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Parent authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby;

(v) the Seller shall deliver stock certificates evidencing the Sold Shares (to the extent that such Sold Shares are in certificated form), duly endorsed by the Seller and accompanied by a stock power or a similar instrument of transfer duly executed by the Seller, and to the extent that such Sold Shares are not in certificate form, evidence of transfer of such Sold Shares, in each case in favor of the Buyer;

(vi) the Seller shall deliver to the Buyer a properly completed IRS Form W-9 of Seller; and

(vii) the Seller shall deliver to the Buyer resignations or evidence of removal of the members of the boards of directors and officers of the Company and the Company Subsidiaries, effective as of the Closing, unless otherwise requested by Buyer at least five (5) Business Days prior to the Closing Date.

Section 2.04 Post-Closing Adjustment.

(a) Post-Closing Determination. As promptly as possible following the Closing Date, but in any event within ninety (90) days after the Closing Date, the Buyer shall prepare and deliver to the Seller a reasonably detailed statement setting forth (i) the Buyer's good faith determinations of the Cash Amount, the Net Working Capital Amount, the Indebtedness Amount, the Seller Transaction Expenses, the Target Cash Amount and the Retained Earnings and (ii) the Buyer's calculation of the Purchase Price (collectively, the "Draft Computation"). The Draft Computation shall be prepared in accordance with the Parent Accounting Principles and in a form and format consistent with the Sample Closing Statement. The Buyer will make available to the Seller and its advisors reasonable supporting underlying documentation used in the preparation of the Draft Computation (including work papers, subject to the execution of customary access letters). If the Seller disagrees with any aspect of the Draft Computation, the Seller may, within thirty (30) days after receipt of the Draft Computation, deliver a reasonably detailed notice (an "Objection Notice") to the Buyer setting forth the Seller's determination of the Cash Amount, Net Working Capital Amount, the Indebtedness Amount, the Seller Transaction Expenses, the Target Cash Amount and the Retained Earnings, and the Seller's calculation of the Purchase Price. If the Seller does not deliver an Objection Notice to the Buyer within thirty (30) days after receipt of the Draft Computation, then the parties hereto will be deemed to have agreed to the Draft Computation and the components of such Draft Computation shall be deemed to be finally determined as set forth therein. The Buyer and the Seller shall use commercially reasonable efforts to resolve any disagreements as to the Draft Computation and the Objection Notice, but if they do not obtain a final resolution within thirty (30) days after the Buyer has received the Objection Notice, the Buyer and the Seller shall jointly retain Grant Thornton LLP or another nationally recognized accounting firm mutually agreed to by the parties (the "Firm") to resolve any remaining disagreements. The Buyer and the Seller shall direct the Firm to render a determination within thirty (30) days after its retention, and the Buyer, the Seller and their respective agents shall cooperate in good faith with the Firm during its engagement. The Firm may consider only those items and amounts in the Draft Computation or Objection Notice which the Buyer and the Seller are unable to resolve and shall act as an expert and not as an arbiter. In resolving any disputed item, the Firm may not assign a value to any item greater than the greatest value for such item claimed by either party or less than the smallest value for such item claimed by either party. The Firm's determination shall be based solely on written submissions or oral presentations (provided that there shall be no *ex parte* communications) by the Buyer and the Seller (i.e., not on independent review) and on the definitions included herein. The Seller and the Buyer shall give each other copies of any written submissions at the same time as they are submitted to the Firm. The determination of the Firm shall be conclusive and binding upon the Buyer and the Seller. Until the Firm makes its determination, the costs and expenses of the Firm shall be borne equally by the Buyer, on the one hand, and the Seller, on the other hand; provided that, when the Firm makes its determination, the costs and expenses of the Firm shall be allocated between the Seller, on the one hand, and the Buyer,

on the other hand, based upon the percentage which the portion of the contested amount not awarded to each party bears to the amount actually contested by such party. For example, if the Seller claims the Net Working Capital Amount is $1,000 greater than the amount determined by the Buyer, and the Buyer contests only $500 of the amount claimed by the Seller, and if the Firm ultimately resolves the dispute by awarding the Seller $300 of the $500 contested, then the costs and expenses of arbitration will be allocated 60% (i.e., 300 ÷ 500) to the Buyer and 40% (i.e., 200 ÷ 500) to the Seller.

(b) Post-Closing Adjustment.

(i) Payment by the Buyer. If the Purchase Price as finally determined pursuant to Section 2.04(a) exceeds the Estimated Purchase Price, then within five (5) Business Days after such final determination thereof the Buyer shall pay to the Seller, by wire transfer or delivery of other immediately available funds to an account designated by the Seller to the Buyer, an amount in cash equal to the amount by which the Purchase Price as finally determined exceeds the Estimated Purchase Price.

(ii) Payment on Behalf of the Seller. If the Purchase Price as finally determined pursuant to Section 2.04(a) is less than the Estimated Purchase Price, then within five (5) Business Days after such final determination thereof, the Seller shall pay to the Buyer, by wire transfer or delivery of other immediately available funds to an account designated by the Buyer to the Seller, an amount in cash equal to the difference between the Purchase Price as finally determined and the Estimated Purchase Price (expressed as a positive number).

(iii) Tax Treatment. Any payments made to any party pursuant to Section 2.04 shall constitute an adjustment of the Purchase Price for Tax purposes and shall be treated as such by the parties on their Tax Returns to the maximum extent permitted by Law.

Section 2.05 Withholding. The Buyer and (following the Closing) the Company shall be entitled to deduct and withhold from the Purchase Price otherwise deliverable to the Seller such amounts as the Buyer or the Company is required to deduct and withhold under applicable Law. The Buyer or the Company, as applicable, shall use reasonable best efforts to provide the Seller with reasonable advance written notice of the intention to make such deduction or withholding and shall provide the Seller the opportunity to provide forms or other documentation evidencing a reduction of or exemption from such withholding. To the extent that amounts are deducted and withheld pursuant to this Section 2.05 and paid over to the proper Governmental Authority, pursuant to applicable Law, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Seller.

Section 2.06 Local Transfer Agreements; Deferred Closing.

(a) The transfer of the Indian Business (the "Indian Transfer") shall be effected pursuant to a local transfer agreement to be in such form as reasonably needed (and solely to the extent as reasonably needed) to satisfy the requirements of applicable local Law for such transfer (the "Indian Transfer Agreement"); provided, that the Indian Transfer Agreement shall serve purely to effect the legal transfer of the Indian Business, shall not have any effect on the terms and conditions of the transactions contemplated hereby, including the allocation of assets and liabilities as between the parties, all of which shall be determined by this Agreement, or in any way modify, amend or constitute a waiver of, any provision of this Agreement or any Ancillary Agreement and shall not require Parent, the Seller or any of their Subsidiaries to make any additional representations, warranties or covenants, express or implied, not contained in this Agreement. For the purposes of this Agreement, the "Indian Business" shall mean (i) all Business Employees located in India ("Indian Employees"), (ii) any assets primarily utilized by such Indian Employees in connection with their services for the Business or otherwise primarily relating to the Business in India (the "Indian Assets") and (iii) the Indian Liabilities.

(b) Deferred Closing.

(i) If, as of the Closing, in India, (A) there is an applicable Law then in effect or a Governmental Authority shall have issued or entered an Order that is then in effect, either or both of which has the effect of making the Closing illegal or otherwise prohibiting its consummation with respect to such jurisdiction, or (B) any filing with, notice to, or permit, authorization, registration, consent or approval of a Governmental Authority required to consummate the purchase by the Buyer of the Indian Business (the "Deferred Closing Governmental Approvals") has not been made or obtained, as applicable, then, notwithstanding anything to the contrary in this Agreement, the Indian Business shall not be transferred to the Buyer or any of its Affiliates at the Closing (but the Closing shall otherwise occur with respect to the Business, the Company and the Company Subsidiaries (other than the Indian Business)). Thereafter, the Indian Business shall be transferred to the Buyer (or its designated Subsidiary) on the fifth (5th) Business Day following the receipt, satisfaction or waiver (to the extent permitted by applicable Law) of the applicable Deferred Closing Governmental Approvals (a "Deferred Closing" and such date, a "Deferred Closing Date"). In no event shall the Purchase Price payable by the Buyer at the Closing or the Purchase Price as finally determined pursuant to Section 2.04 be reduced or deferred in respect of the Indian Business.

(ii) Between the Closing Date and the Deferred Closing Date, subject to applicable Law and contractual restrictions, the Seller (or its applicable Affiliate) shall (x) hold the Indian Business for the Buyer's benefit, burden and account, (y) use reasonable best efforts to manage and operate the Indian Business for the Buyer's benefit, burden and account and in accordance with the Transition Services Agreement, with all benefits (other than the amounts payable to the Seller (or its applicable Affiliate) under the Transition Services Agreement for the Services (as defined in the Transition Services Agreement) provided by the Indian Business), burden or liabilities (other than Indemnified Taxes) generated thereby to be for the Buyer's account and borne by the Buyer, in each case, as if the transfer of the Indian Business had occurred at the Closing in accordance with and subject to the terms of this Agreement and, (z) the Seller and the Buyer shall cooperate in good faith to prepare any necessary exhibits or other agreements in accordance with the Transition Services Agreement as determined reasonably necessary to abide by the terms of this Agreement such that, for the period between the Closing Date and the Deferred Closing Date, the Buyer shall retain beneficial control over the Indian Business and its service providers prior to the Deferred Closing and shall promptly reimburse the Seller for any associated costs and expenses.

(iii) At the Deferred Closing, if any, (A) the Buyer shall deliver to the Seller the documents or other deliverables required to be delivered pursuant to the Indian Transfer Agreement and not previously delivered to the Seller at the Closing, and (B) the Seller shall, and shall cause the relevant Seller to, deliver to the Buyer the documents or other deliverables required to be delivered pursuant to the Indian Transfer Agreement and not previously delivered to the Buyer at the Closing.

(iv) In respect of the Indian Business, the Buyer and the Seller shall continue to comply through the applicable Deferred Closing Date, solely with respect to the Indian Business, with the covenants of the parties contained in Sections 6.01(b) and (c), Section 6.02 and Section 8.01(f). The Non-Competition and Non-Solicitation Agreement shall not apply with respect to Parent's, the Seller's and their respective Affiliates' continued operation of the Indian Business until the Deferred Closing Date.

(v) The parties acknowledge that the portion of the Purchase Price allocable to the Indian Business (the "India Purchase Price") shall be paid on the Closing Date. In the event that a local payment of some or all of the relevant India Purchase Price is required in India on the Deferred Closing Date, the Buyer shall cause the applicable local Subsidiary of Buyer to pay an amount equal to the required local payment to the applicable local Subsidiary of the Seller on the Deferred Closing Date by wire transfer of immediately available funds to the local bank account to be designated by the Seller in a written notice to the Buyer at least five (5) Business Days before such Deferred Closing. Within five (5) Business Days following the Deferred Closing Date, the Seller shall reimburse, or cause to be reimbursed, to the Buyer an amount equal to the relevant required local payment converted to U.S. dollars at the exchange rate published by the Wall Street Journal, United States Edition, on the applicable Deferred Closing Date (or if the Wall Street Journal is not published on such date, the first date thereafter on which the Wall Street Journal is published), by wire transfer of immediately available funds to the bank account to be designated by the Buyer in a written notice to the Seller at least five (5) Business Days before such Deferred Closing. For Tax purposes, the parties agree that the amount so reimbursed shall constitute the amount of the Purchase Price allocated to the Indian Business, and such reimbursement shall constitute an adjustment to the purchase price paid for the Sold Shares, and the parties shall take such positions on their Tax Returns to the maximum extent permitted by Law.

(vi) Unless the context clearly requires otherwise, all references in this Agreement to the "Closing" and the "Closing Date" shall, with respect to the Indian Business, be deemed to refer to the applicable "Deferred Closing" and "Deferred Closing Date," respectively. Unless otherwise indicated, all references to the "Business" in Article 3 and Article 4 of this Agreement shall be deemed to include the Indian Business.

(c) Buyer shall use reasonable best efforts to (i) form prior to the Closing such entities in India as may be required to consummate the transactions contemplated by the Indian Transfer Agreement and (ii) take such actions before and after the Closing Date to cause the Indian Transfer to occur on the Closing Date or as soon after the Closing Date as reasonably practicable. Notwithstanding anything to the contrary in this Agreement, the Buyer shall consummate the Deferred Closing within nine (9) months of the Closing.

ARTICLE 3.
REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COMPANY

Except as set forth in the Company Disclosure Schedule accompanying this Agreement (subject to Section 8.06) and it being agreed and understood that, for purposes of this Article 3, references to the "Company" or any of the "Company Subsidiaries" shall include any assets or liabilities contributed to the Company Group as part of the Pre-Closing Restructuring, each of Seller and the Company represents and warrants to the Buyer as follows as of the date hereof and as of the Closing (except with respect to any representation or warranty which speaks as to a particular date, in which case such representation and warranty is given only as of such date):

Section 3.01 Organization and Qualification. (a) Each of the Company and the Company Subsidiaries is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization, formation or incorporation, as applicable, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business, the Company and the Company Subsidiaries, taken as a whole. (b) Each of the Company and the Company Subsidiaries has full power and authority to own or lease its respective properties and to conduct its respective businesses in the manner and in the places where such properties are owned or leased and where such businesses are currently conducted, in each case, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business, the Company and the Company Subsidiaries, taken as a whole. (c) The copies

of the Company's and each of the Company Subsidiary's organizational documents as amended to date and each heretofore made available to the Buyer or its agents, are complete and correct, and no amendments thereto are pending. (d) The Company and the Company Subsidiaries are duly licensed and qualified to do business and in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business makes such licensing or qualification to do business necessary, except where the failure to be so licensed or qualified would not, individually or in the aggregate, reasonably be expected to be material to the Business, the Company and the Company Subsidiaries, taken as a whole). (e) The minute books and other corporate records of each of the Company and the Company Subsidiaries as previously made available to Buyer were and remain true, complete (as of the date hereof) and correct in all material respects and have been maintained in compliance with applicable legal requirements.

Section 3.02 Company Subsidiaries; Securities Owned. Other than the Company Subsidiaries set forth on Schedule 3.02, the Company has no direct or indirect Subsidiaries. None of the Company nor the Company Subsidiaries owns any equity securities issued by any other Person (other than equity securities of the Company Subsidiaries).

Section 3.03 Capitalization.

(a) Schedule 3.03(a) of the Company Disclosure Schedule sets forth, as of the date hereof, the number of authorized, issued and outstanding shares of capital stock or other equity interests of the Company, and there are no other authorized, issued or outstanding equity interests of the Company as of the date hereof. As of the date hereof, the Shares are owned by the Seller, free and clear of all Liens, except Liens under applicable securities Laws.

(b) As of the date hereof, all of the Shares are duly and validly issued and outstanding and fully paid, and there are no outstanding subscriptions, options, warrants, commitments, preemptive rights, agreements, rights of first refusal, arrangements or commitments of any kind for or relating to the issuance, sale, registration or voting of, or outstanding securities or Indebtedness convertible into or exchangeable for, any equity interests of the Company or otherwise relating to the equity interests of the Company, and there are no phantom awards, profit participation rights or share appreciation rights relating to the Shares or the value of the Company or any other interest in the Company.

(c) Schedule 3.03(c) of the Company Disclosure Schedule sets forth, as of the Closing Date (after giving effect to the Pre-Closing Restructuring), the number of authorized, issued and outstanding shares of capital stock or other equity interests of the Company Subsidiaries, and there are no other authorized, issued or outstanding equity interests of the Company Subsidiaries. As of the Closing Date, the Sold Shares are owned by the Seller, free and clear of all Liens, except Liens under applicable securities Laws, and all of the Sold Shares are duly and validly issued and outstanding and fully paid.

(d) As of the Closing Date, there are no outstanding subscriptions, options, warrants, commitments, preemptive rights, agreements, rights of first refusal, arrangements or commitments of any kind for or relating to the issuance, sale, registration or voting of, or outstanding securities or Indebtedness convertible into or exchangeable for, any equity interests of the Company or otherwise relating to the equity interests of the Company, and there are no phantom awards, profit participation rights or share appreciation rights relating to the Sold Shares or the value of the Company or any other interest in the Company.

(e) To the extent applicable, all of the issued and outstanding equity interests of the Company Subsidiaries are duly and validly issued and outstanding, and are fully paid. All of the issued and outstanding equity interests of the Company Subsidiaries are directly or indirectly owned by the Company, free and clear of all Liens, except Liens under applicable securities Laws. There are no outstanding subscriptions, options, warrants, commitments, preemptive rights, agreements, rights of first refusal,

arrangements or commitments of any kind for or relating to the issuance, sale, registration or voting of, or outstanding securities or Indebtedness convertible into or exchangeable for, any equity interests of the Company Subsidiaries or otherwise relating to the equity interests of the Company Subsidiaries. There are no phantom awards, profit participation rights or share appreciation rights relating to the equity interests or the value of the Company Subsidiaries or any other interest in the Company Subsidiaries.

Section 3.04 Authority of the Company; Non-Contravention; Governmental Authorization.

(a) The Company has full right, power and authority to enter into this Agreement and each agreement, document and instrument to be executed and delivered by it pursuant to or as contemplated by this Agreement (including each other Transaction Document) and to carry out the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each other Transaction Document to which it is a party and the performance of the Company's obligations hereunder and thereunder have been duly authorized by all necessary corporate action on the part of the Company. This Agreement and each agreement, document and instrument to be executed and delivered by the Company or the Company Subsidiaries pursuant to this Agreement (including each other Transaction Document) constitute, or will when executed and delivered constitute, and, assuming due authorization, execution and delivery by the Buyer, Parent and the Seller, valid and binding obligations of the Company, enforceable in accordance with their respective terms, subject to securities Laws, applicable Laws relating to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or preferential transfers and similar Laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity) (the "Enforceability Exceptions").

(b) Assuming compliance with Section 3.04(a), the execution, delivery and performance by the Seller, the Company or the Company Subsidiaries, as applicable, of this Agreement and each such agreement, document and instrument contemplated by this Agreement to which it is a party and the consummation of the transactions contemplated hereby and thereby:

(i) do not and will not violate any provision of the organizational documents of the Company or the Company Subsidiaries;

(ii) assuming the receipt of the authorizations described in Section 3.04(c), do not and will not violate any Laws or Orders; and

(iii) do not and will not result in a breach of, constitute a default under, accelerate any obligation under, require any consent or notice, or give rise to any right of termination or any impairment of rights under any Contract, whether written or oral, to which the Company or any of the Company Subsidiaries is a party or by which the property of the Company or any of the Company Subsidiaries is bound, or give rise to any Lien (except Permitted Liens) on any properties, rights or assets of the Company or the Company Subsidiaries, in each case, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business, the Company and the Company Subsidiaries, taken as a whole.

(c) The execution, delivery and performance by the Seller, the Company or the Company Subsidiaries of this Agreement and the consummation of the transactions contemplated hereby do not require the Company or the Company Subsidiaries to obtain any approval, consent or waiver of, or make any filing with, any Governmental Authority, except for (A) any actions required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), or other competition or anti-trust related legal or regulatory requirements of foreign jurisdictions, commissions or governing bodies (collectively, the "Antitrust Laws") and those set forth on Schedule 3.04(c) of the Company Disclosure

Schedule, (B) under the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or applicable blue sky laws, (C) under any Insurance Laws or (D) any such filings, notices, permits, authorizations, registrations, consents or approvals, the failure to make or obtain which would not, individually or in the aggregate, reasonably be expected to be material to the Business, the Company and the Company Subsidiaries, taken as a whole.

Section 3.05 Compliance with Laws.

(a) General. Each of the Company and the Company Subsidiaries (A) is, and since the Reference Date has been, in compliance in all material respects with all applicable federal, state, local, foreign, international or multinational treaty, constitution, statutes, ordinances, orders, judgments, ordinances, codes, judgments, binding standards of conduct, rules, regulations, including, any Unclaimed Property Laws, OFAC Laws, and Money Laundering Laws (collectively, "Laws") and (B) since the Reference Date has received no written notice of any material failure or alleged material failure by the Company or any of the Company Subsidiaries to comply with any Law. Except as would not be material to the Business, since the Reference Date, no event has occurred that with notice or lapse of time would constitute a violation or failure to comply with any applicable Law relating to the Business and no condition or state of facts exists that is reasonably likely to give rise to a violation of, or a liability or default under, any applicable Law. Except as would not be material to the Business, since the Reference Date, none of the Seller, the Company or any Company Subsidiary has conducted any internal investigation with respect to any violation of Law, that would reasonably be expected, individually or in the aggregate, to result in liability to the Company or any Company Subsidiary or otherwise interfere with the conduct of the Business.

(b) Insurance Laws, Rules, Regulations and Requirements. Except as would not reasonably be expected to be material to the Business:

(i) The Company and each Company Subsidiary has at all times in the last six (6) years complied with, and is currently in compliance, in all respects, with applicable Insurance Laws, including, without limitation, all (A) related guidelines and requirements established by the Consumer Financial Protection Bureau, the U.S. Federal Housing Administration and all other applicable Governmental Authorities, (B) anti-affiliation and controlled business statutes, rules and other requirements related to the amount of insurance-related business that may have been referred or directed by an Affiliate of the Company or a Company Subsidiary to the Company, any Company Subsidiary or any of their respective Affiliates, (C) applicable federal and state laws and regulations and related guidelines and requirements related to affiliated business arrangements, lead arrangements, rental arrangements and other activities with any Person with which the Company or any of the Company Subsidiaries gives or receives referrals of business, and (D) requirements to file annual, quarterly or other statements, reports or documents with any applicable Governmental Authority pursuant to any applicable Insurance Laws.

(ii) The Company, the Company Subsidiaries and each of their respective Affiliates is an agent, in good standing, of each applicable insurance underwriter, has paid all premiums, fees, dues and other sums due to each such underwriter, and is not in breach or violation of any applicable agency agreement.

(iii) (A) All policies, binders and other agreements of insurance in effect as of the date hereof (including all endorsements and ancillary documents in connection therewith) underwritten by the Company or any Company Subsidiaries are, to the extent required under applicable Insurance Laws, on forms and at rates approved by the insurance regulatory authority of the jurisdiction where issued or, to the extent required by applicable Laws, have been filed with and not objected to by such authority within the period provided for objection, and (B) with respect to all such policies, binders and other agreements of

insurance underwritten by the Company or any Company Subsidiary, the Company or such Company Subsidiary, as applicable, has charged the applicable insurance rates required thereunder. No agency agreement contains any provision requiring the Company or any Company Subsidiary to use any underwriter's services exclusively or guaranties any minimum amount of business to any such underwriter.

(iv) All client trust funds of the Company and the Company Subsidiaries have been held and administered in compliance with all applicable Insurance Laws, and there has been no improper commingling of any client trust funds in violation of such Insurance Laws.

(v) Except to the extent prohibited by applicable Law, the Company has made available true and complete copies of (A) any reports on financial examination (including draft reports where final reports are not yet available) and (B) any reports on market conduct examination (including draft reports where final reports are not yet available), in each case, from any Governmental Authority during the previous six (6) years that remains unresolved.

(vi) (A) Each director, officer, employee or, to the Knowledge of the Company, independent contractor of the Company and any Company Subsidiary that engages in any transaction regulated under applicable Insurance Laws is duly and appropriately licensed under applicable Insurance Laws for the business and activities conducted by such individual, in each jurisdiction in which such individual was required to be so licensed and no such individual violated any term or provision of applicable Insurance Laws, (B) no director, officer, employee or, to the Knowledge of the Company, independent contractor of the Company or any Company Subsidiary has breached the terms of any contract with the Company or any Company Subsidiary or violated any Insurance Law or policy of the Company or any Company Subsidiary in the solicitation, negotiation, writing, sale or production of business for the Company or any Company Subsidiary and (C) no director, officer, employee or, to the Knowledge of the Company, independent contractor of the Company or any Company Subsidiary has been enjoined, indicted, convicted or made the subject of any consent decree or judgment on account of any violation of applicable Law in connection with such individual's actions in his, her or its capacity as a director, officer, employee or independent contractor of the Company or any Company Subsidiary or any enforcement or disciplinary proceeding alleging any such violation.

Section 3.06 Finder's Fees. Neither the Company nor any of the Company Subsidiaries (nor any agent on their behalf) has incurred nor shall any of them become liable for any investment banker fee, broker's commission or finder's fee relating to or in connection with the transactions contemplated by this Agreement.

Section 3.07 Taxes.

(a) All material Tax Returns required by applicable Law to be filed by the Company or the Company Subsidiaries have been filed, and all such Tax Returns are true, complete and correct in all material respects. All material Taxes due and owing by the Company or the Company Subsidiaries (whether or not shown on any Tax Returns) have been timely paid.

(b) No material deficiencies for Taxes with respect to the Company or the Company Subsidiaries have been claimed, proposed or assessed in writing by any Governmental Authority, which deficiencies have not been paid, settled or otherwise resolved. There are no pending or, to the Knowledge of the Company, threatened in writing audits, assessments or other actions for or relating to any material liability in respect of Taxes of the Company or the Company Subsidiaries. Neither the Company nor any of the Company Subsidiaries has waived any statute of limitations in respect of a material amount of Taxes or agreed to any extension of time with respect to a material Tax assessment or deficiency, nor has any request been made in writing for any such extension or waiver, in each case, which waiver or extension extends the applicable time period beyond the Closing Date.

(c) The unpaid Taxes of the Company or the Company Subsidiaries did not, as of the date of the Latest Balance Sheet, exceed the reserve for Tax liability (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the fact of the Latest Balance Sheet (rather than in any notes thereto). No written claim has ever been made by a Governmental Authority in a jurisdiction where the Company or the Company Subsidiaries do not file a Tax Return or pay Taxes that the Company or the Company Subsidiaries, as applicable, are or may be subject to Tax by that jurisdiction.

(d) The Company and the Company Subsidiaries have withheld and paid (to the extent due and payable) all material Taxes required by applicable Tax Law to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholders of the Company or other Person.

(e) There are no material Liens for Taxes on any assets of the Company or the Company Subsidiaries other than Permitted Liens.

(f) Neither the Company nor any of the Company Subsidiaries has been a party to any "listed transaction," as defined in Section 6707A(c)(2) of the Code and Treasury Regulations Section 1.6011-4(b)(2).

(g) At Closing, each of the Company and the Company Subsidiaries will be a member of the Affiliated Group of which Parent is the common parent. Neither the Company nor the Company Subsidiaries (i) have been a member of an affiliated group filing a combined, consolidated, unitary or other group Tax Return (other than an affiliated group of which the common parent is Parent, the Seller, the Company or the Company Subsidiaries), or (ii) have any material liability for the Taxes of any Person (other than any Person that is a member of the U.S. federal consolidated income Tax group of which Parent or any of its subsidiaries is or was the common parent) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local, or non-U.S. Tax Law), as a transferee or successor, or otherwise.

(h) Neither the Company nor the Company Subsidiaries are a party to any material Tax sharing, Tax indemnity or Tax allocation agreement (other than any customary commercial agreement entered into in the ordinary course of business the principal subject of which is not Taxes).

(i) Neither the Company nor the Company Subsidiaries will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any period (or any portion thereof) ending after the Closing Date as a result of (i) any installment sale or other transaction or disposition made prior to the Closing, (ii) any accounting method change for a taxable period ending on or before the Closing Date made prior to the Closing or agreement with any Governmental Authority filed or made prior to the Closing, (iii) any prepaid amount or deferred revenue received prior to the Closing, or (iv) any intercompany transaction or excess loss account described in Section 1502 of the Code (or any corresponding provision of state, local or foreign Tax Law). Neither the Company nor the Company Subsidiaries have received any letter ruling from the Internal Revenue Service or any comparable ruling from any other Tax authority.

(j) Neither the Company nor the Company Subsidiaries (or any of their Affiliates or predecessors by merger or consolidation) have been a party to any transaction intended to qualify under Section 355 of the Code within the preceding five (5) years.

Section 3.08 Litigation. Except as would not be material to the Business, (a) there is no Action pending or, to the Knowledge of the Company, threatened in writing against the Company or the Company Subsidiaries, or any officer or director, in each case, in their capacity as such, or relating, in whole or in part, to any tangible or intangible property of the Company or the Company Subsidiaries, at law or in equity, or before or by any Governmental Authority, including, without limitation, any such Action (i) as to the qualification of the Company or any Company Subsidiary to hold or receive any license, permit or other Approvals, (ii) as to the compliance of the Company or any Company Subsidiary with respect to the requirements, rules, regulations or other Laws, including Insurance Laws, applicable to any license, permit or other Approvals, (iii) that would reasonably be expected to result in the revocation, cancellation, suspension or other adverse modification of any Approvals and (b) there are and since the Reference Date, there have been no outstanding judgments, orders, writs, injunctions, determinations, arbitration awards or decrees issued by any Governmental Authority (each, an "Order") against the Company or the Company Subsidiaries or Actions pending or, to the Knowledge of the Company, threatened in writing against the Company or the Company Subsidiaries.

Section 3.09 Financial Statements.

(a) Schedule 3.09(a) of the Company Disclosure Schedule sets forth the unaudited consolidated balance sheets of the Company and the Company Subsidiaries as of December 31, 2018, as of December 31, 2019 and as of December 31, 2020 and the related unaudited consolidated statements of operations and cash flows for the fiscal years ended December 31, 2018, December 31, 2019 and December 31, 2020, in each case together with all notes and schedules thereto (collectively, the "Current Financial Statements").

(b) The Current Financial Statements have, and when delivered in connection with accordance with Section 6.10, the Needed Financial Statements will have, been prepared based upon information contained in the Company's and the Company Subsidiaries' books and records and in accordance with GAAP applied consistently during the period covered thereby, and present fairly in all material respects the consolidated financial position, results of operations and cash flows of each of the Company and the Business at the respective dates of such statements and for the periods covered thereby; provided that (i) the Company and Company Subsidiaries have not operated on a standalone basis and have historically been reported within Parent's consolidated financial statements and (ii) the Current Financial Statements (and the Needed Financial Statements when delivered in accordance with Section 6.10 will) assume certain allocated charges and credits, including as related to Overhead and Shared Services, which do not necessarily reflect amounts that would have resulted from arms'-length transactions or that the Company or any Company Subsidiary would incur on a standalone basis.

(c) Each of the Company and the Company Subsidiaries maintains, and since the Reference Date has maintained, books, records and accounts that accurately and fairly reflect in all material respect the transactions and dispositions of assets of the Company and the Company Subsidiaries.

(d) The Company and the Company Subsidiaries maintain, and since the Reference Date have maintained, a system of internal accounting controls designed to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and allow the Company to maintain accountability for its assets. Neither the Company nor its auditor has identified any (i) significant deficiencies and material weaknesses in the design or operation of the Company's and the Company Subsidiaries' internal accounting controls which are reasonably likely to adversely affect the Company's or the Company Subsidiaries' ability to record, process, summarize and report financial information, or (ii) fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal accounting controls.

(e) Neither the Company nor any Company Subsidiary has, nor do the Assumed Liabilities include, any liabilities or obligations (whether accrued, absolute, contingent, liquidated, matured or otherwise), except for: (i) the liabilities specifically reflected or reserved against on the Latest Balance Sheet; (ii) liabilities incurred in the ordinary course of business since the date of the Latest Balance Sheet (none of which relates to any breach of Contract, tort, infringement or violation of Law); (iii) liabilities incurred in connection with this Agreement, the Transaction Documents or the transactions contemplated hereby or thereby; or (iv) liabilities that have been (or will be) prior to the Closing discharged or paid off.

(f) As of the date of this Agreement, the Company and the Company Subsidiaries have no indebtedness for borrowed money or indebtedness evidenced by bonds, debentures, notes, mortgages, letters of credit or performance bonds (to the extent such letters of credit or performance bonds have been drawn) or other similar instruments or securities.

Section 3.10 Transactions with Affiliates. Except for the Shared Contracts, the Affiliate Agreements, the Transaction Documents or as set forth on Schedule 3.10(i) of the Company Disclosure Schedule, and any Contracts that will be terminated at or before the Closing, none of the direct or indirect equityholders (other than the public equityholders of Parent), officers, key employees (which, for purposes of this Section 3.10, shall include only the employees listed on Schedule 3.10(ii) of the Company Disclosure Schedule), Affiliates, managers or directors of the Company or the Company Subsidiaries, to the Company's Knowledge, is directly interested in any Material Contract, commitment, agreement or license to which the Company or the Company Subsidiaries are a party or by which the Company or the Company Subsidiaries are bound, except for employment-related agreements and arrangements entered into in the ordinary course.

Section 3.11 Real Properties.

(a) Neither the Company nor any Company Subsidiary owns any real property.

(b) Schedule 3.11(b) of the Company Disclosure Schedule sets forth a list, as of the date hereof, of each lease or other agreement under which the Company or any Company Subsidiary has a leasehold interest in any real property (collectively, the "Real Property Leases" and, each individually, a "Real Property Lease"). Correct and complete copies of the Real Property Leases and all material amendments thereto have been made available to the Buyer or its agents by the Company. Except as would not be material to the Business, the Company or the Company Subsidiaries has a valid and subsisting leasehold interest in all the real property which is the subject of each of the respective Real Property Leases set forth on Schedule 3.11(b) of the Company Disclosure Schedule (individually, the "Leased Real Property" and, collectively, the "Leased Real Properties"), subject to Permitted Liens and the Enforceability Exceptions.

(c) Except as would not be material to the Business, neither the Seller, the Company nor the Company Subsidiaries, nor, to the Knowledge of the Company, any other party, is in default (after expiration of applicable notice and cure periods) under any of the Real Property Leases and none of the Seller, the Company or the Company Subsidiaries has received any notice of any default or event that, with notice or lapse of time, or both, would constitute a default under any Real Property Lease.

(d) Since the Reference Date, neither the Seller, the Company nor the Company Subsidiaries has received written notice that any of the Leased Real Properties is subject to any judgment to be sold or is being condemned, expropriated or otherwise taken by any public authority with or without payment of compensation therefor and, to the Knowledge of the Company, as of the date hereof, no such condemnation, expropriation or taking has been proposed or is contemplated.

Section 3.12 Absence of Certain Changes, Events and Conditions. Except as contemplated by this Agreement or as set forth in Schedule 3.12 of the Company Disclosure Schedule, since December 31, 2020, the Company and the Company Subsidiaries have operated in the ordinary course of business in all material respects and there has not been, with respect to the Company or the Company Subsidiaries:

(a) any Material Adverse Effect;

(b) material change in any method of accounting or accounting practice of the Company, except as required by GAAP or applicable Law and set forth on Schedule 3.12(b) of the Company Disclosure Schedule or as disclosed in the notes to the Financial Statements;

(c) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law; or

(d) any action taken that, if taken after the date hereof, would require Buyer's consent pursuant to Sections 6.01(f), (g), (k), (m), (n), (o), and (r) (to the extent clause Section 6.01(r) relates to the foregoing sections); or

(e) any agreement to do any of the foregoing, or any action or omission that would result in any of the foregoing.

Section 3.13 Assets.

(a) Except as would not be material to the Business, (i) The Company and the Company Subsidiaries have good and valid title to (or in the case of leased properties or assets, valid leasehold interests) in all of their properties and assets (real, personal and mixed), (ii) all of the assets and properties owned, leased, or licensed by the Company are free and clear of all Liens, except for Liens identified on Schedule 3.13(a) of the Company Disclosure Schedule and Permitted Liens, and (iii) other than as contemplated by Section 2.06(b), all of the assets primarily related to the Business held by the Parent Group have been, or shall be as of the Closing, transferred to the Company Group or the Buyer.

(b) The material tangible property owned, leased or licensed by the Company and the Company Subsidiaries or held by the Parent Group and primarily related to the Business (including material equipment and, to the Knowledge of the Company, buildings, structures, and facilities) is in good operating condition and repair consistent with age, normal wear and tear not caused by neglect excepted.

(c) (i) Taking into account any assets, properties, rights, titles and interests made available by the Seller and its Affiliates to the Company and the Company Subsidiaries following the Closing pursuant to any Transaction Documents (including Section 2.06(b)) and the covenants to be performed prior to the Closing pursuant to Section 6.06, (ii) assuming all consents, authorizations, assignments, amendments and permits necessary in connection with the consummation of the transactions contemplated by the Transaction Documents have been obtained, and (iii) other than with respect to Overhead and Shared Services, the Buyer will own, hold or have the right to use (including by means of ownership of rights pursuant to licenses or other Contracts) at Closing all of the assets, properties, rights, titles and interests that are used or held for use in and are necessary to operate in all material respects the Business immediately following the Closing in substantially the same manner as conducted by Parent and its Subsidiaries as of the date hereof.

Section 3.14 Intellectual Property.

(a) Schedule 3.14(a) of the Company Disclosure Schedule sets forth a complete and accurate list as of the date of this Agreement of each item of Registered IP, setting forth for each such item of Registered IP, whether such item is owned by the Company or a Company Subsidiary or is owned by the Seller or a member of the Parent Group and will be assigned to the Company or a Company Subsidiary, the record owner(s) of such item and if different, the legal owner and beneficial owner(s) of such item, the jurisdiction in which such item of Registered IP has been registered or filed and the applicable application, registration or serial or other similar identification number, the filing date or registration date and issuance or grant date and, with respect to domain names, the applicable domain name registrar.

(b) All Registered IP is subsisting and, to the knowledge of the Company, not invalid or unenforceable. The Company and the Company Subsidiaries are current in the payment of all registration, maintenance and renewal fees with respect to the Registered IP, except in each case as the Company or a Company Subsidiary has elected in their reasonable business judgment to abandon or permit to lapse a registration or application. No interference, opposition, reissue, reexamination or other proceeding of any nature is pending or threatened in writing in which the scope, validity or enforceability of any material Registered IP is being or could reasonably be expected to be contested or challenged.

(c) Except for the Transferred IP, the Company and the Company Subsidiaries are the sole and exclusive owners of all right, title and interest in Company IP, free and clear of all Liens (other than Permitted Liens). Following the consummation of the transactions contemplated under this Agreement and the Intellectual Property Assignment Agreement, the Company and the Company Subsidiaries will solely and exclusively own all right, title, and interest in and to the Transferred IP, free and clear of all Liens (other than Permitted Liens) and all Transferred IP will have been effectively assigned to Company or the applicable Company Subsidiary.

(d) The Company IP and the Intellectual Property licensed to Buyer pursuant to Section 8.10 include all of Seller's Intellectual Property rights practiced by or necessary to conduct the Businesses in all material respects as currently conducted, including regarding the design, development, coding, license, sale, provision, maintenance, support and use of all Company Products. The Registered IP includes all of the Trademarks and Internet Properties owned by any member of the Parent Group or the Company Group as of the date hereof and used primarily in the operation of the Business. Taking into account any assets, properties, rights, titles and interests made available by the Seller and its Affiliates to the Company and the Company Subsidiaries following the Closing pursuant to any Transaction Documents and the covenants to be performed prior to the Closing pursuant to Section 6.06, assuming all consents, authorizations, assignments, amendments and permits necessary in connection with the consummation of the transactions contemplated by the Transaction Documents have been obtained, and other than with respect to Overhead and Shared Services, the Company IP and Technology and Intellectual Property licensed by the Company or a Company Subsidiary pursuant to the agreements set forth on Schedule 3.17(h) of the Company Disclosure Schedule constitute all of the Technology (other than Generally Available Software) and Intellectual Property used in or necessary for the conduct in all material respects of the Business immediately following the Closing in substantially the same manner as conducted by Parent and its Subsidiaries as of this Agreement.

(e) Neither the Company nor any Company Subsidiary is bound by, and no Company IP is subject to, any Contract containing any covenant or other provision that in any way materially limits or restricts (other than any restriction imposed by applicable Law) the ability of the Company or any Company Subsidiary to use or otherwise exploit, or assert or enforce (except as licensed pursuant to such Contract) any Company IP anywhere in the world. Neither the Company nor any Company Subsidiary has transferred ownership of (whether a whole or partial interest), or granted any exclusive right to use, any material Company IP to any Person.

(f) Since the Reference Date, neither the Company nor the Company Subsidiaries have received any written notice alleging, or that would reasonably be construed as alleging, that the operation of the business of the Company or the Company Subsidiaries infringes, misappropriates or violates or otherwise conflicts with the Intellectual Property rights of another Person in any material respect. None of (i) the Company IP, (ii) the Company Products nor (iii) the operation or the conduct of the business of the Company and the Company Subsidiaries has since the Reference Date infringed, diluted, misappropriated or otherwise violated, is currently infringing, diluting, misappropriating or otherwise violating, any Intellectual Property of any other Person in any material respect.

(g) To the Knowledge of the Company, no Person has since the Reference Date infringed, diluted, misappropriated or otherwise violated, or is currently infringing, diluting, misappropriating or otherwise violating any Company IP and, since the Reference Date, there have been no, and there currently are no pending claims, threats of action, or allegations made by the Company or the Company Subsidiaries alleging any such infringement, dilution, misappropriation or violation that are outstanding.

(h) The execution, delivery and performance by the Seller, the Company or the Company Subsidiaries, as applicable, of this Agreement and each such agreement, document and instrument contemplated by this Agreement to which it is a party and the consummation of the transactions contemplated hereby and thereby, will not, with or without notice or the lapse of time or both, result in, or give any other Person the right or option to cause or declare, (i) a loss of, or Lien on, any Company IP, (ii) the grant, assignment or transfer to any other Person of any license or other right or interest under, to, or in any material Company IP, including any such grant, assignment or transfer by Buyer or its Affiliates, (iii) any material Company IP becoming subject to any material restriction with respect to its use or operation in any line of business or market or with any Person or in any area or (iv) to the Knowledge of the Company, Buyer or any of its Affiliates as being bound by or subject to any exclusivity obligations, non-compete or other material restrictions on the operation or scope of their respective businesses, or to any obligation to grant any rights in or to any of Buyer's or its Affiliates' Technology or Intellectual Property.

(i) None of the Company Products contain any Harmful Code. The Company and each Company Subsidiary have taken commercially reasonable measures to prevent the introduction of Harmful Code into Company Products or the Business Systems, including firewall protections and regular virus scans.

(j) The Company and the Company Subsidiaries have taken commercially reasonable measures to protect and maintain the secrecy, confidentiality and value of any Trade Secrets and other material confidential information of the Company and the Company Subsidiaries, and to the Knowledge of the Company, there are no material unauthorized uses or disclosures of any such Trade Secrets or confidential information.

(k) After giving effect to the transactions contemplated by Section 6.15, each current and former employee, officer, director and independent contractor of, and consultant to, the Company and the Company Subsidiaries that has been involved in the development or creation of Company IP has or will be deemed to have assigned to the Company or a Company Subsidiary their rights and interests in such Intellectual Property either by operation of law or by entering into a valid and enforceable written agreement under which they have assigned such rights and agreed to maintained the confidentiality of the Company's and the Company Subsidiaries' confidential information. No current or former employee, officer, director, independent contractor or consultant of the Company or a Company Subsidiary has any claim, right (whether or not currently exercisable), or ownership interest to or in any Company IP. To the Knowledge of the Company, no employee and no independent contractor or consultant or other third party to any such confidentiality agreement is in breach thereof.

(l) Except as set forth on Schedule 3.14(l) of the Company Disclosure Schedule, no Company Software which is distributed or made available to any third party by or on behalf of the Company or the Company Subsidiaries is subject to the provisions of any third party license, "copyleft," or other obligation (including any obligation or condition under any "open source" license such as the GNU Public License, Lesser GNU Public License or Mozilla Public License) that (i) requires the distribution of source code (other than to the applicable "open source" or third-party component itself) in connection with the distribution of such Company Software in object code form; (ii) materially limits the Company's or the Company Subsidiaries' freedom to seek full compensation in connection with marketing, licensing, and distributing the applications incorporating such Software; or (iii) allows a customer or requires that a customer have the right to decompile, disassemble or otherwise reverse engineer the applications incorporating such Company Software by its terms and not by operation of law. With respect to Open Source Software that is or has been used by the Company or a Company Subsidiary in connection with Company Software, the Company or the relevant Company Subsidiary is in compliance with the terms and conditions of all applicable licenses for the Open Source Software, including attribution and copyright notice requirements. With respect to each item of Company Software, the Company or a Company Subsidiary is (or will be at the Closing) in actual possession and control of the applicable source code, object code, code writes, notes, documentation, programmers' notes, source code annotations, and user manuals required for use, distribution, development, enhancement, maintenance and support of such Company Software in the ordinary course, subject to any licenses granted to third parties therein.

(m) Neither the Company nor any Company Subsidiary has delivered, licensed or made available, or is under a duty or obligation (whether present, contingent, or otherwise) to deliver, license or make available, the source code for any Company Product to any escrow agent or other Person who is not, as of the date of this Agreement, an employee or consultant of the Company or a Company Subsidiary under a duty of confidentiality with respect to such source code who needs such source code to perform his or her job duties.

(n) Notwithstanding anything in this Agreement to the contrary, Section 3.14 sets forth the sole and exclusive representations and warranties of the Company relating to infringement of Intellectual Property.

Section 3.15 Information Technology. The Company and the Company Subsidiaries own, lease, license or otherwise have the legal right to use or have operated on its behalf, all Business Systems. The Business Systems are designed, implemented, operated and maintained using commercially reasonable efforts in accordance with customary industry standards and practices for entities operating businesses similar to the business of the Company and the Company Subsidiaries, including with the respect to safeguarding data Processed by Business Systems and redundancy, reliability, scalability and security. Taking into account any assets, properties, rights, titles and interests made available by the Seller and its Affiliates to the Company and the Company Subsidiaries following the Closing pursuant to any Transaction Documents and the covenants to be performed prior to the Closing pursuant to Section 6.06, assuming all consents, authorizations, assignments, amendments and permits necessary in connection with the consummation of the transactions contemplated by the Transaction Documents have been obtained, and other than with respect to Overhead and Shared Services, the Business Systems constitute all the information and communications technology and other systems infrastructure reasonably necessary to carry on in all material respects the Business immediately following the Closing in substantially the same manner as conducted by Parent and its Subsidiaries as of this Agreement. Without limiting the foregoing, the Company and the Company Subsidiaries have used commercially reasonable efforts to implement industry standard disaster recovery plans, procedures and facilities for their business and have taken commercially reasonable steps to safeguard their Business Systems. Since the Reference Date, (i) neither the Company nor the Company Subsidiaries have experienced any material disruption to, or material interruption in, the conduct of their businesses attributable to a material defect, bug, breakdown or other failure or deficiency of the Business Systems; and (ii) there have been no material unauthorized intrusions, compromises, data leakage incidents, disclosures of data or breaches of the security of the Business Systems.

Section 3.16 Data Privacy and Security.

(a) Except as would not be material to the Business, the Company and the Company Subsidiaries, and to the Knowledge of the Company, all vendors, processors, or other third parties Processing Personal Data for or on behalf of the Company and the Company Subsidiaries, are and have been at all times in compliance with (i) the terms and conditions of any and all of their own privacy policies and other external-facing policies or notices governing the use of Personal Data (each a "Company Privacy Policy"); and (ii) Privacy and Information Security Requirements ((i) and (ii) the "Company Privacy Commitments"). Except as would not be material to the Business, neither the execution, delivery or performance of this Agreement by the Company nor the consummation by the Company of the transactions contemplated hereby will (i) trigger or require any notices to or consents from any Person; (ii) violate any Company Privacy Commitments; or (iii) give rise to any right of termination or other right to impair or limit the Company's or the Company Subsidiaries' right to own and/or Process any Personal Data used in or necessary for the operation of the business of the Company or the Company Subsidiaries.

(b) Except as would not be material to the Business, (i) the Company and the Company Subsidiaries have at all times posted and prominently made available on its websites, mobile applications, intranet, internal regulations, other mediums made accessible to individuals and other mechanisms through which the Company or the Company Subsidiaries collect Personal Data, a Company Privacy Policy in conformance with Privacy and Information Security Requirements and have satisfied all other requirements necessary for their Processing of all Personal Data, (ii) all Company Privacy Policies are and have at all times been accurate, not misleading or deceptive (including by omission), consistent and complete with the actual practices of the Company and the Company Subsidiaries with respect to the processing of Personal Data, and (iii) the Company and the Company Subsidiaries have in place written Contracts with (A) all third parties who Process, store or otherwise handle Personal Data on behalf of the Company and the Company Subsidiaries, or that otherwise receive Personal Data from the Company and the Company Subsidiaries, and (B) all of their customers regarding the Company's or the Company Subsidiaries' Processing of Personal Data on behalf of such customers, in each case, sufficient for the Company's and the Company Subsidiaries' compliance with Company Privacy Commitments and that obligate the other Persons to comply with all applicable Privacy and Information Security Requirements.

(c) The Company and the Company Subsidiaries have used commercially reasonable efforts to implement administrative, physical and technical safeguards to (i) protect and maintain the confidentiality, integrity and security of Personal Data against any unauthorized use, access, disclosure, interruption, modification, destruction, comprise or corruption (a "Security Incident"); (ii) identify and address internal and external risks to the privacy and security of Personal Data in their possession or control; and (iii) provide immediate notification to the Company and/or the Company Subsidiaries in the case of Security Incident.

(d) Neither the Company nor the Company Subsidiaries have suffered a Security Incident with respect to any of the Personal Data Processed by or, to the Knowledge of the Company, on behalf of, the Company or the Company Subsidiaries. Except as would not be material to the Business, neither the Company nor the Company Subsidiaries have (i) been legally or contractually required to provide any notices to any Person in connection with an unauthorized disclosure of Personal Data with respect to the operation of the business, or has done so even if not legally or contractually so required; or (ii) received any written complaints or notices to, or been subject to audits, proceedings, investigations or claims asserted with respect to, by any Person or Governmental Authority, (A) the Company's or the Company Subsidiaries' Processing of Personal Data in connection with the businesses of the Company and the

Company Subsidiaries or (B) compliance with any Company Privacy Commitments and, to the Knowledge of the Company, there are no facts or circumstances in existence that can give rise to any such complaints, notices, audits, proceedings, investigations or claims.

Section 3.17 Material Contracts. Except for contracts, commitments, plans, agreements and licenses listed on Schedule 3.17 of the Company Disclosure Schedule (of which true and complete copies in effect as of the date hereof have been made available to the Buyer or its agents) (the "Material Contracts"), neither the Company nor the Company Subsidiaries are a party to or subject to any Contract of the types described below that is in effect as of the date hereof or under which there are ongoing obligations:

(a) any plan or Contract providing for bonuses, stock, options, stock purchases, profit sharing, collective bargaining or the like or any contract or agreement with any labor union (other than the plans listed on Schedule 3.20 of the Company Disclosure Schedule);

(b) any employment Contract or Contract for services with any natural person which requires the payment of more than $100,000 annually in total compensation which is not terminable on thirty (30) or fewer days' notice by the Company or the Company Subsidiaries without liability for any material penalty or severance payment;

(c) any Contract for the purchase of any commodity, material or equipment or service in excess of $500,000 in total payments annually;

(d) any Contract creating any obligation of the Company or any Company Subsidiary that involves more than $500,000 in total payments annually;

(e) any Contract relating to the acquisition or disposition of any business, material asset or real property (whether by merger, sale of capital stock, sale of assets or otherwise) that was consummated after the Reference Date under which the Company or any Company Subsidiaries has any remaining material obligations with respect to an "earn out," contingent purchase price or similar contingent payment obligations with respect to such acquisition or disposition Contracts in excess of $250,000, excluding acquisitions or dispositions of services, supplies, inventory or products in the ordinary course of business;

(f) any Contract imposing, or purporting to impose, in any material respects, a restriction on the Company or any Company Subsidiary's right or ability to engage or compete in any line of business or market or with any Person or in any area or during any period of time (including non-competition, non-solicitation, or granting exclusive rights or rights of first refusal to license, market, sell or deliver any of the Company Products or any related Intellectual Property or Technology); but in each case, excluding non-exclusive, inbound licenses to Intellectual Property rights that are subject to territorial limitations and covenants not to assert, sue or challenge);

(g) any sole source supplier or sole source reseller Contract that is material to the Business;

(h) any Contract material to the Business pursuant to which any Company IP is or has been licensed (whether or not such license is currently exercisable), sold, assigned or otherwise conveyed or provided to a third party by the Company or a Company Subsidiary, or pursuant to which the Company or a Company Subsidiary has agreed not to enforce any Intellectual Property rights against any third party (other than non-exclusive licenses of Company IP granted to end users in the ordinary course, including in connection with the sale or licensing of any products or services);

(i) any Contract material to the Business pursuant to which the Company or a Company Subsidiary licenses from, or is otherwise permitted by, a third party (including any member of the Parent Group) to use any material Intellectual Property or Technology or pursuant to which any third party (including any member of the Parent Group) has agreed not to enforce any Intellectual Property rights against the Company or a Company Subsidiary (other than (i) Generally Available Software, or (ii) non-disclosure agreements entered into in the ordinary course of business);

(j) any Contract material to the Business providing for the development of any material Technology or Intellectual Property, independently or jointly, by or for the Company or a Company Subsidiary, other than Contracts entered into pursuant to the Company or a Company Subsidiary's form employee invention assignment agreements (copies of which have been made available to Buyer) between the Company or a Company Subsidiary and an employee of the Company or such Company Subsidiary regarding the development of Technology or Intellectual Property by such employee;

(k) any Contract material to the Business providing for "most favored customer" or similar term that purports to adjust pricing or services provided by the Company or Company Subsidiaries;

(l) any Contract evidencing any Indebtedness for borrowed money;

(m) any Contract having an outstanding balance for advanced or loaned money to any other Person in excess of $250,000;

(n) any Contract with respect to any material partnership (other than any referral or marketing agreement entered into in the ordinary course of business), joint venture or other similar agreements or arrangements, including but not limited to, Contracts related to any affiliate business arrangement or other affiliate relationship;

(o) any Contract under which the Company or any Company Subsidiary has agreed to settle, waive, or otherwise compromise any pending or threatened claim, proceeding or dispute (i) entered into since the Reference Date with a value greater than $500,000 or (ii) which imposes material continuing obligations on the Company or the Company Subsidiaries;

(p) any Contract, arrangement or understandings between Parent, any of its subsidiaries (other than the Company and the Company Subsidiaries), on the one hand, and either the Company or any Company Subsidiary, on the other hand (each, an "Affiliate Agreement"), other than a Contract that will terminate pursuant to Section 6.06;

(q) any Contract under which the Company or any Company Subsidiary will have any obligation with respect to an "earn out," contingent purchase price, or similar contingent payment obligation still outstanding that is reasonably expected to be in excess of $250,000;

(r) any Contract relating to any interest rate, derivatives or hedging transaction;

(s) any Contract pursuant to which the Company or any Company Subsidiary has a material ongoing obligation with respect to indemnification;

(t) any Contract (including any "take-or-pay" agreement) under which (i) any unaffiliated third party has directly or indirectly guaranteed any liabilities or obligations of the Company or any Company Subsidiary or (ii) the Company or any Company Subsidiary has directly or indirectly guaranteed any liabilities or obligations of any third party;

(u) any Contract for capital expenditures under which any continuing obligations in excess of $500,000 exist;

(v) any Top Client Contract or Top Vendor Contract; or

(w) any other Contract that is (A) not made in the ordinary course of business or (B) material to the Business, the Company and the Company Subsidiaries, taken as a whole.

All of the Material Contracts are valid and in full force and effect in accordance with the terms of such Material Contract and constitute legal, valid and binding obligations of the Company and the Company Subsidiaries, as applicable, and to the Knowledge of the Company, the other parties thereto, and are enforceable against the Company and the Company Subsidiaries, as applicable, in accordance with their respective terms, subject to proper authorization and execution of such Material Contract by the counterparties thereto and the Enforceability Exceptions. Neither the Company nor any Company Subsidiary, as applicable, is in breach or default in complying with any material provisions thereof nor to the Knowledge of the Company, any other party thereto, nor has the Company, or any Company Subsidiary, as applicable, received notice of any such breach or default, and, to the Knowledge of the Company, no third party to any Material Contract (with or without the lapse of time or the giving of notice or both) is in material breach or material default thereunder.

Section 3.18 Insurance. Except as would not be material to the Business, the Company and the Company Subsidiaries are covered by fire, casualty, workers' compensation and liability insurance policies, with extended coverage, in such amounts and with such coverage as Company has in good faith determined to be sufficient for the conduct of the Business and as may be required under applicable Laws. Except as would not be material to the Business, (a) all such insurance policies are in full force and effect and, none of Seller, the Company, or the Company Subsidiaries, as the case may be, is in default with respect to its payment obligations due and owing under any such policies, and (b) to the Knowledge of the Company, all instances which may give rise to a potential claim for which coverage is available under such policies have been reported to the appropriate provider. Schedule 3.18 of the Company Disclosure Schedule sets forth a true and complete list as of the date hereof of all material insurance policies of the Seller or its Subsidiaries carried by or for the benefit of the Company or the Company Subsidiaries and all material claims that have been brought under such policies since the Reference Date that remain open as of the date hereof. Except as would not be material to the Business, neither the Company nor any Company Subsidiary has received written notice under any such insurance policy denying or disputing any claim (or coverage with respect thereto) made by the Company or any Company Subsidiary or regarding a reservation of rights with regard to any claim set forth on Schedule 3.18 of the Company Disclosure Schedule or regarding the termination, cancellation or amendment of, or premium increase with respect to, any such insurance policy, in each case, at any time during the twelve (12) months ending on the date hereof.

Section 3.19 Permits.

(a) (i) Each of the Company and the Company Subsidiaries has obtained all permits, registrations, licenses, certifications, authorizations and other approvals (collectively, the "Approvals") from Governmental Authorities necessary for the conduct of the Business as presently conducted, (ii) all such Approvals are valid and in full force and effect and (iii) none of such Approvals is subject to termination by its terms as a result of the execution of this Agreement by the Company or by the consummation of the transactions contemplated by this Agreement, except, in each case, as would not reasonably be expected, individually or in the aggregate, to result in material liability to the Company, any Company Subsidiary or the Business or otherwise materially interfere with the conduct of the Business. Schedule 3.19(a) of the Company Disclosure Schedule contains an accurate and complete list of all of the material Approvals currently held by the Company and any Company Subsidiary, or that are otherwise

necessary to conduct the Business in substantially the same manner as presently conducted, as of the date of this Agreement. No written notices have been received by the Company or any Company Subsidiary alleging the failure to hold, or any violation, breach of or default under, any Approval, except as would not be material to the Business. Since the Reference Date, no event has occurred that allows, or after notice or lapse of time would reasonably be expected to allow, revocation or termination of a material Approval or results in any other material impairment of the rights of the holder of any such Approval, other than an expiration of such Approval in accordance with its terms, in each case, except as would not be material to the Business.

(b) Each officer, director, employee and, to the Knowledge of the Company, independent contractor of the Company or any Company Subsidiary and each Business Employee that is required to hold any license, permit or other authorization from any Governmental Authority (each, an "Employee Authorization") for the conduct of the Business as presently conducted holds all such required Employee Authorizations, in each case, except as would not be material to the Business. Schedule 3.19(b) of the Company Disclosure Schedule contains an accurate and complete list of all of the material Employee Authorizations held by the officers, directors, employees and independent contractors of the Company or any Company Subsidiary and each Business Employee as of the date hereof. Except as would not be material to the Business, (i) the Employee Authorizations are in full force and effect and constitute all Employee Authorizations required to operate the Business as presently conducted and none of the Employee Authorizations are subject to any term, provision, condition or limitation which may adversely change or terminate such Employee Authorizations by virtue of the completion of the Transactions, (ii) each officer, director, employee and, to the Knowledge of the Company, independent contractor is in compliance with the terms and conditions of the Employee Authorizations and (iii) the Company has not received any written notice of any breach, violation, or default under or with respect to any Employee Authorization and the Company is not aware of any fact, circumstance or event that, with notice or lapse of time or both, could result in any breach, violation or default under or with respect to any Employee Authorization.

(c) Except as would not be material to the Business, (i) none of the Approvals currently or previously held by the Company or any Company Subsidiary nor any Employee Authorization held by the officers, employees, directors or independent contractors of the Company or any Company Subsidiary or any Business Employee have ever been suspended, revoked or otherwise terminated by any Governmental Authority and (ii) Schedule 3.19(c) of the Company Disclosure Schedule identifies all pending actions, claims, demands, arbitrations, inquiries, audits, examinations, suits, investigations and other proceedings, including a summary of the basis or allegations thereof, relating to or otherwise affecting any Approvals or, to the Knowledge of the Company, Employee Authorizations currently or previously held by the Company, any Company Subsidiary and, to the Knowledge of the Company, any officer, director, employee or independent contractor of the Company or any Company Subsidiary or any Business Employee, as the case may be, as of the date of this Agreement.

Section 3.20 Employee Benefit Plans.

(a) All Employee Benefit Plans directly maintained or sponsored by the Company or the Company Subsidiaries or to which the Company or the Company Subsidiaries are obligated to contribute, are listed on Schedule 3.20 of the Company Disclosure Schedule.

(b) All such Employee Benefit Plans, including any associated trust agreements, summary plan descriptions, the three (3) most recent annual report on Form 5500 filed with the Internal Revenue Service and the most recent determination or opinion letter (in all cases, if any) issued by the Internal Revenue Service have been made available to the Buyer or its agents.

(c) The Company and the Company Subsidiaries have, in all material respects, performed all obligations required to be performed by it under, are not in material default or violation of, any Employee Benefit Plan and each Employee Benefit Plan (and any related trust or other funding vehicle) has been established, registered (where required), funded, invested, administered and operated in material compliance with the requirements of all applicable Laws, including without limitation, ERISA and the Code, and the terms of such Employee Benefit Plans.

(d) Since the Reference Date, no such Employee Benefit Plan, or any trustee or administrator thereof nor any employee or any "fiduciary" has, in respect of any such plan, to the Knowledge of the Company, engaged in any material breach of fiduciary responsibility or any "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) to which Section 406 of ERISA or Section 4975 of the Code applies for which a statutory exemption is not available, and which would reasonably be expected subject any such Employee Benefit Plan or trustee or administrator thereof, or any party dealing with any such Employee Benefit Plan, to a material Tax or material penalty on prohibited transactions imposed by Section 4975 of the Code.

(e) No such Employee Benefit Plan is a defined benefit pension plan or has, since the Reference Date been subject to the minimum funding requirements of Section 412 and 430 of the Code or Title IV of ERISA and neither the Company nor any Company Subsidiary has any liability (whether absolute or contingent) pursuant to Title IV or ERISA or Sections 412 or 430 of the Code (whether due to its relationship with any ERISA Affiliate or otherwise).

(f) No Employee Benefit Plan is, and the Company has no obligation to contribute to any, "multiemployer plan" within the meaning of Section 3(37) of ERISA or 4001(a)(3) of ERISA and neither the Company nor any Company Subsidiary has any liability (whether absolute or contingent) with respect to any such multiemployer plan (whether due to its relationship with any ERISA Affiliate or otherwise).

(g) Each such Employee Benefit Plan intended to qualify under Section 401 of the Code has received a favorable determination letter from the Internal Revenue Service that such Employee Benefit Plan is a "qualified plan" under Section 401(a) of the Code and, to the Knowledge of the Company, no circumstances have occurred that would reasonably be expected to adversely affect the tax qualified status of any such Employee Benefit Plan. To the Knowledge of the Company, nothing has occurred with respect to any Employee Benefit Plan that has subjected or could reasonably be expected to subject the Company, or its Company Subsidiaries or any of their ERISA Affiliates, to a penalty under Section 502 of ERISA or to tax or penalty under Section 4975 of the Code. All material benefits, contributions and premiums relating to each Employee Benefit Plan have been timely paid in accordance with the terms of such Employee Benefit Plan and all applicable Laws and accounting principles, and all benefits accrued under any unfunded Employee Benefit Plan have been paid, accrued or otherwise adequately reserved to the extent required by, and in accordance with, GAAP.

(h) Each Employee Benefit Plan that is subject to Section 409A of the Code has been administered in material compliance with its terms and the operational and documentary requirements of Section 409A of the Code and all applicable regulatory guidance (including notices, rulings and proposed and final regulations) thereunder. The Company does not have any obligation to gross up, indemnify or otherwise reimburse any individual for any excise taxes, interest or penalties incurred pursuant to Section 409A of the Code.

(i) Neither the Company nor any Company Subsidiary has ever maintained, established, sponsored, participated in or contributed to any self-insured plan that provides medical or life insurance benefits to employees (including any such plan pursuant to which a stop loss policy or contract applies), it being understood that the Business Employees participate in self-insured plans that are not maintained or

sponsored by the Company or the Company Subsidiaries. The obligations of all Employee Benefit Plans that provide health, welfare or similar insurance, if any, are fully insured by bona fide third-party insurers, it being understood that the Business Employees participate in self-insured plans that are not maintained or sponsored by the Company or Companies Subsidiaries.

(j) Neither the execution and delivery of this Agreement by the Company nor the consummation of the transactions contemplated by this Agreement (either alone or in combination with another event) will result in the acceleration or creation of any rights of any Business Employee or director, officer or employee of the Company or any Company Subsidiary to payments or benefits or increases in any payments or benefits or any loan forgiveness, in each case, from the Company or any Company Subsidiary. Neither the Company nor any Company Subsidiary is obligated to make a payment as a result of the transactions contemplated by this Agreement that would not be deductible under Section 280G of the Code or subject to an excise Tax under Section 4999 of the Code.

(k) Each of the Company and the Company Subsidiaries has at all relevant times has been in compliance in all material respects with COVID-19 Measures with respect to its employees, independent contractors and other individual service providers.

(l) Each Employee Benefit Plan that is governed by the laws of any jurisdiction other than the United States or provides compensation or benefits to any employee or former employee of the Company or any Company Subsidiary (or any dependent thereof) who resides outside of the United States (each a "Foreign Benefit Plan") is identified as such on Schedule 3.20 of the Company Disclosure Schedule. With respect to each Foreign Benefit Plan, except as would not be material to the Business, (i) such Foreign Benefit Plan has been maintained, funded and administered in material compliance with applicable laws and the requirements of such Foreign Benefit Plan's governing documents and any applicable collective bargaining agreements, (ii) all contributions to such Foreign Benefit Plan have been timely paid or made in full or, to the extent not yet due, properly accrued on the Latest Balance Sheet in accordance with the terms of the Foreign Benefit Plan and all applicable laws, (iii) such Foreign Benefit Plan has obtained from the Governmental Authority having jurisdiction with respect to such Foreign Benefit Plan any required determinations, if any, that such Foreign Benefit Plan is in compliance in all material respects with the applicable laws and regulations of the relevant jurisdiction if such determinations are required in order to give effect to such Foreign Benefit Plan, (iv) there are no pending or, to the Company's Knowledge, threatened in writing investigations by any Governmental Authority, Proceedings or claims (except for claims for benefits in the ordinary course) against such Foreign Benefit Plan, and (v) neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, either alone or in combination with another event (whether contingent or otherwise) will create or otherwise result in any liability with respect to such Foreign Benefit Plan. Notwithstanding anything to the contrary set forth herein, this Section 3.20(l) shall be the exclusive provision of this Section 3.20 applicable to Foreign Benefit Plans, and no Foreign Benefit Plan shall be considered an Employee Benefit Plan for purposes of this Section 3.20 (other than for purposes of the first sentence of this Section 3.20(l)).

(m) The Company has no liability under any such Employee Benefit Plan, or otherwise, to provide medical or death or other welfare benefits with respect to current or former employees of the Company beyond their termination of employment (other than coverage mandated by Law) and there has been no material violation of Section 4980B of the Code or Sections 601-608 of ERISA by the Company or its Company Subsidiaries with respect to any such Employee Benefit Plan.

Section 3.21 Employees; Labor Matters.

(a) Buyer or its agents have been provided with a list that is complete and accurate in all material respects of (i) all persons who are employees or independent contractors with the Company or the

Company Subsidiaries and (ii) all Business Employees, including any Business Employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full or part time); (iii) hire date; and (iv) current annual base compensation rate or hourly rate, as applicable. All independent contractors, consultants and advisors to the Company or the Company Subsidiaries can be terminated with 30 days' notice on the part of the Company or the Company Subsidiary, as applicable.

(b) Each of the Company and the Company Subsidiaries do not employ any employees whose duties do not relate primarily to the business of the Company or the Company Subsidiaries.

(c) Except as would not be material to the Business, since the Reference Date, there are no written grievances, complaints or charges that have been filed against the Company or any Company Subsidiary that are currently pending under any external dispute resolution procedure (including, but not limited to, any proceedings under any dispute resolution procedure under any collective bargaining agreement). No collective bargaining agreements, works council or similar labor union arrangements have been in effect or are currently being negotiated by the Company or the Company Subsidiaries. Except as would not be material to the Business, (i) there is not presently, and for the past three years there has not been, any collective labor strike, dispute, lockout, slowdown or stoppage pending or, to the Knowledge of the Company, threatened in writing against or affecting the Company or any Company Subsidiary, and (ii) there is no unfair labor practice charge or complaint against the Company or any Company Subsidiary pending or threatened in writing before the National Labor Relations Board or any other labor relations tribunal or Governmental Authority.

(d) Neither the Company nor any Company Subsidiary is in violation in any material respect of any provision of any Law promulgated by any Governmental Authority regarding the terms and conditions of employees, former employees or prospective employees or other labor-related matters, including, without limitation, Laws relating to discrimination, fair labor standards and occupational health and safety or wrongful discharge of employees, former employees or prospective employees of the Company or the Company Subsidiaries.

(e) Since the Reference Date, the Company or the Company Subsidiaries have not taken any action which would constitute a "plant closing" or "mass layoff" within the meaning of WARN Act or similar state or local law, issued any notification of a plant closing or mass layoff required by WARN Act or similar state or local law, or incurred any Liability or obligation under WARN Act or any similar state or local law that remains unsatisfied

Section 3.22 Environmental Matters. Since the Reference Date, the Company and the Company Subsidiaries have obtained and possessed all permits, licenses and other authorizations required under Laws concerning pollution or protection of the environment, in each case as then in effect, including all such Laws relating to the emission, discharge, release or threatened release of any petroleum, pollutants, environmental contaminants or hazardous or toxic materials, substances or wastes into air, surface water, groundwater or lands ("Environmental Requirements"), except as has not and as would not, individually or in the aggregate, reasonably be expected to be material to the Business, the Company and the Company Subsidiaries, taken as a whole. The Company and the Company Subsidiaries are in compliance with all terms and conditions of such permits, licenses and authorizations and are also in compliance with all other Environmental Requirements except as has not and would not, individually or in the aggregate, reasonably be expected to be material to the Business, the Company and the Company Subsidiaries, taken as a whole. Since the Reference Date, neither the Company nor any Company Subsidiary has received any notice from any Governmental Authority or other third party asserting or alleging that the Company or the Company Subsidiary has failed in any respect to comply with any Environmental Requirements, or that the Company or any Company Subsidiary is liable for any injury or damages to any Person or property because of the

release or threatened release of any petroleum, pollutants, environmental contaminants, hazardous or toxic materials, substances or wastes, except as has not and as would not, individually or in the aggregate, reasonably be expected to be material to the Business, the Company and the Company Subsidiaries, taken as a whole.

Section 3.23 Business Relationships.

(a) Schedule 3.23(a) of the Company Disclosure Schedule sets forth (i) the top seventeen (17) clients of the Company and the Company Subsidiaries (the "Top Clients") and (ii) the top seventeen (17) vendors of the Company and the Company Subsidiaries, in each case as measured by the dollar amount of purchases therefrom for fiscal year 2020 (the "Top Vendors").

(b) Since December 31, 2020, no Top Client or Top Vendor has terminated its relationship with the Company or any Company Subsidiary or materially changed the pricing or other terms of its contractual relationship with the Company or any Company Subsidiary and, to the Knowledge of the Company, no Top Client or Top Vendor has notified Parent or its Subsidiaries of its intention to terminate or materially reduce or change the pricing or other terms of its contractual relationship with the Company or any Company Subsidiary. Except as would not be material to the Business, (i) all of the material Contracts under which the Company or any Company Subsidiary has any ongoing obligations entered into with a Top Vendor (a "Top Vendor Contract") or a Top Client (a "Top Client Contract") are valid and in full force and effect in accordance with the terms of such Contract and constitute legal, valid and binding obligations of the Company or the Company Subsidiary, as applicable and, to the Knowledge of the Company, the other parties thereto, and are enforceable against the Company or the Company Subsidiary, as applicable, in accordance with their respective terms, subject to proper authorization and execution of such Top Vendor Contract or Top Client Contract by the counterparties thereto and the Enforceability Exceptions and the Top Vendor or Top Client party thereto, and (ii) neither the Company nor any Company Subsidiary, as applicable, is in default in complying with any material provisions of a Top Vendor Contract or a Top Client Contract nor, to the Knowledge of the Company, is any other party thereto, nor has the Company or any Company Subsidiary, as applicable, received written notice of any such default.

Section 3.24 Certain Payments. Neither the Company, the Company Subsidiaries nor to the Knowledge of the Company or the Company Subsidiaries, any Business Employee or any director, officer, employee or other Person acting on behalf of either of them (directly or indirectly) has, in the past five (5) years, offered, paid, promised, authorized to pay, accepted, or requested, directly or indirectly, anything of value to or from any Person or any official or employee of a Governmental Authority, including any entity owned or controlled by a Governmental Authority (a "Government Official") for the purpose, in whole or in part, of: (A) corruptly influencing any act or decision of such Government Official; (B) inducing such Government Official to do or omit to do an act in violation of a lawful duty; (C) securing any improper advantage; (D) corruptly inducing such Government Official to influence any act or decision of a Governmental Authority or state-owned enterprise; or (E) otherwise violating any Law related to anti-corruption.

Section 3.25 Shared Contracts. Schedule 3.25 of the Company Disclosure Schedule sets forth a true and correct list of each Shared Contract (true, correct and complete copies of which have been made available to the Buyer or its agents). Except as would not be material to the Business, all of the Shared Contracts are valid and in full force and effect in accordance with the terms of such Shared Contract and constitute legal, valid and binding obligations of the members of the Parent Group or the Company Group, as applicable, and to the Knowledge of the Company, the other party thereto, and are enforceable against such parties in accordance with their respective terms, subject to proper authorization and execution of such Shared Contract by the counterparties thereto and the Enforceability Exceptions.

ARTICLE 4.
REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE SELLER

Except as set forth in the Company Disclosure Schedule accompanying this Agreement (subject to Section 8.06), the Seller, and, solely with respect to Section 4.02 and Section 4.04, Parent, represent and warrant to the Buyer as follows as of the date hereof and as of the Closing (except with respect to any representation or warranty which speaks as to a particular date, in which case such representation and warranty is given only as of such date):

Section 4.01 Existence and Power. The Seller is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware and has all powers and all material governmental licenses, authorizations, permits, consents and approvals required to carry on the Business as now conducted.

Section 4.02 Organizational Authorization. The execution, delivery and performance by each of the Seller and Parent of this Agreement and each agreement, document and instrument to be executed and delivered by it pursuant to or as contemplated by this Agreement (including each other Transaction Document) and the consummation of the transactions contemplated hereby and thereby are within the Seller's and Parent's powers and have been duly authorized by all necessary action on the part of the Seller and Parent. Assuming due authorization, execution and delivery by the Buyer, this Agreement and each other Transaction Document to which it is a party constitutes a valid and binding agreement of the Seller and Parent, enforceable against the Seller and Parent in accordance with its terms, subject to the Enforceability Exceptions.

Section 4.03 Governmental Authorization. Assuming the receipt of the authorizations described in Section 3.04(c), the execution, delivery and performance by the Seller of this Agreement and the consummation of the transactions contemplated hereby require no material action by or in respect of, or material filing with, any Governmental Authority other than compliance with any applicable requirements of the Antitrust Laws, foreign, federal and state securities Laws and Insurance Laws, except as would not be reasonably expected to have a material adverse effect on the ability of Seller to consummate the transactions as contemplated hereby.

Section 4.04 Non-Contravention. The execution, delivery and performance by each of the Seller and Parent of this Agreement and each other Transaction Document to which it is a party and the consummation of the transactions contemplated hereby and thereby do not and will not (i) violate the Seller's or Parent's certificate of formation or limited liability company agreement (or equivalent organizational documents), (ii) assuming compliance with the matters referred to in Section 4.03, violate any Law or Order applicable to Seller or Parent or any of such Seller's or Parent's properties or assets or (iii) require any consent, notice or other action by any Person under, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of the Seller or Parent under any provisions of any Contract, Lien, Approval or Order binding upon the Seller or Parent, except where any of the foregoing would not reasonably be expected, individually or in the aggregate, (x) to result in material adverse liability to the Business, the Company and the Company Subsidiaries, taken as a whole, or (y) to have a material adverse effect on the ability of the Seller to consummate the transactions as contemplated hereby.

Section 4.05 Actions and Proceedings. There are no (a) outstanding judgments, orders, writs, injunctions or decrees of any Governmental Authority pending against the Seller, which has or could materially adversely affect the ability of the Seller to consummate the transactions contemplated hereby or (b) Actions pending or, to the Knowledge of the Seller, threatened in writing against the Seller, which would be reasonably expected to have a material adverse effect on the ability of Seller to consummate the transactions as contemplated hereby.

Section 4.06 Finder's Fees. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Seller who might be entitled to any fee or commission from the Buyer, the Company or any Company Subsidiaries upon the consummation of the transactions contemplated by this Agreement other than advisory fees payable by the Seller to Houlihan Lokey Capital, Inc.

Section 4.07 Ownership of Securities. The Seller is the record and beneficial owner of all of the Sold Shares, free and clear of any Lien, except for Liens being released at the Closing and Liens under applicable securities Laws. There are no agreements, arrangements, warrants, options, puts, rights or other commitments, plans or understandings of any character assigned or granted by the Seller or to which the Seller is a party relating to the issuance, sale, purchase, redemption, conversion, exchange, registration, voting or transfer of the Sold Shares.

Section 4.08 Pre-Closing Restructuring. As of the Closing Date, the Pre-Closing Restructuring has been completed in all material respects.

Section 4.09 No Other Representations or Warranties. Each of the Seller and the Company acknowledges and agrees that, except for the representations and warranties of the Buyer expressly set forth in Article 4 and the Transaction Documents, none of the Buyer or any Affiliate thereof, or any other Person on behalf of the Buyer or any Affiliate thereof, has made or makes, and the Seller, the Company and their respective Affiliates have not relied upon, any representation or warranty, whether express or implied, with respect to the Buyer or any Affiliate thereof, or their respective businesses, affairs, assets, liabilities, financial condition, results of operations, future operating or financial results, estimates, projections, forecasts, plans or prospects (including the reasonableness of the assumptions underlying such estimates, projections, forecasts, plans or prospects) or with respect to the accuracy or completeness of any other information provided or made available to the Seller or its Affiliates any of their respective representatives by or on behalf of the Buyer or any Affiliate or representative thereof. Each of the Seller and the Company acknowledges and agrees that none of the Buyer or any Affiliate thereof, or any other Person or entity on behalf of the Buyer or any Affiliate thereof, has made or makes, and the Seller, the Company and their respective Affiliates have not relied upon, any representation or warranty, whether express or implied, with respect to any projections, forecasts, estimates or budgets made available to the Seller, the Company or any of their representatives of future revenues, future results of operations (or any component thereof), future cash flows or future financial condition (or any component thereof) of any of the Buyer or any Affiliates thereof. Nothing in this Section 4.09 shall limit any claim involving actual fraud.

ARTICLE 5.
REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE BUYER

The Buyer represents and warrants to the other parties hereto as follows as of the date hereof and as of the Closing (except with respect to any representation or warranty which speaks as to a particular date, in which case such representation and warranty is given only as of such date):

Section 5.01 Existence and Power. Buyer is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware and has all corporate powers and all material governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted.

Section 5.02 Organizational Authorization. The execution, delivery and performance by the Buyer of this Agreement and each agreement, document and instrument to be executed and delivered by it pursuant to or as contemplated by this Agreement (including each other Transaction Document) and the consummation of the transactions contemplated hereby and thereby are within the Buyer's powers and have been duly authorized by all necessary action on the part of the Buyer. Assuming due authorization, execution and delivery by the Seller, Parent and the Company, this Agreement and each other Transaction Document to which it is a party constitutes a valid and binding agreement of the Buyer, enforceable against the Buyer in accordance with its terms, subject to the Enforceability Exceptions.

Section 5.03 Governmental Authorization. The execution, delivery and performance by the Buyer of this Agreement and the consummation of the transactions contemplated hereby require no material action by or in respect of, or material filing with, any Governmental Authority other than compliance with any applicable requirements of the Antitrust Laws except as would not be reasonably expected to have a material adverse effect on the ability of the Buyer to consummate the transactions as contemplated hereby.

Section 5.04 Non-Contravention. The execution, delivery and performance by the Buyer of this Agreement and each other Transaction Document to which it is a party and the consummation of the transactions contemplated hereby and thereby do not and will not (i) violate the Buyer's certificate of incorporation or bylaws (or equivalent organizational documents), (ii) assuming compliance with the matters referred to in Section 5.03, violate any Law or Order applicable to Buyer or any of such Buyer's properties or assets or (iii) require any consent, notice or other action by any Person under, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of the Buyer under any provisions of any Contract, Lien, Approval or Order binding upon the Buyer, except where any of the foregoing would not reasonably be expected, individually or in the aggregate, to have a material adverse effect on the ability of the Buyer to consummate the transactions as contemplated hereby.

Section 5.05 Purchase for Investment. The Buyer is purchasing the Sold Shares for investment for its own account and not with a view to, or for sale in connection with, any distribution thereof. The Buyer has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Sold Shares and is capable of bearing the economic risks of such investment. The Buyer acknowledges that the Shares have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or any state, local or foreign securities Laws and agrees that the Sold Shares may not be sold, transferred, offered for sale, pledged, distributed, hypothecated or otherwise disposed of unless such transfer, sale, assignment, pledge, hypothecation or other disposition is pursuant to the terms of an effective registration statement under the Securities Act and are registered under any applicable state, local or foreign securities Laws or pursuant to an exemption from registration under the Securities Act and any applicable state, local or foreign securities Laws.

Section 5.06 Independent Investigation. The Buyer has conducted its own independent investigation, review and analysis of the business, operations, assets, liabilities, results of operations, financial condition, technology, management and prospects of the Business, the Company and the Company Subsidiaries, which investigation, review and analysis was done by the Buyer and its representatives. In entering into this Agreement, the Buyer acknowledges that it has relied solely upon the aforementioned investigation, review and analysis and not on any factual representations or opinions of any of the Parent, the Company Subsidiaries and their respective Affiliates or any of their respective representatives (except the representations and warranties of the Company and the Seller expressly set forth in this Agreement). the Buyer hereby acknowledges and agrees that none of Parent, the Seller, the Company, the Company Subsidiaries, their respective Affiliates or any of their respective representatives or any other Person will have or be subject to any Liability to the Buyer, its Affiliates or any of their respective representatives or equityholders or any other Person resulting from the distribution to the Buyer, its Affiliates or their respective representatives of, or the Buyer's, its Affiliates' or their respective representatives' use of, any

information relating to Parent, the Seller, the Company, the Company Subsidiaries or the Business, including any information, documents or material made available to the Buyer, its Affiliates or their respective representatives, whether orally or in writing, in any data room, any management presentations (formal or informal), functional "break-out" discussions, responses to questions submitted on behalf of the Buyer or its Affiliates or in any other form in connection with the transactions contemplated by this Agreement. The Buyer acknowledges that, should the Closing occur, the Buyer shall acquire the Business, the Company and the Company Subsidiaries without any representation or warranty as to merchantability or fitness thereof for any particular purpose, in an "as is" condition and on a "where is" basis, except as otherwise expressly set forth in the Transaction Documents. Nothing in this Section 5.06 shall limit any claim involving actual fraud.

Section 5.07 Finder's Fees. Other than Goldman Sachs & Co. LLC, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Buyer who might be entitled to any fee or commission upon the consummation of the transactions contemplated by this Agreement.

Section 5.08 Financial Ability.

(a) Buyer is a party to and has accepted a fully executed Debt Commitment Letter from the lenders party thereto (collectively, the "Lenders") pursuant to which the Lenders have agreed, subject to the terms and conditions thereof, to provide Debt Financing in the amounts set forth therein.

(b) The Buyer has delivered to the Seller a true, correct and complete copy of the Debt Commitment Letter as of the date of this Agreement and any fee letters related thereto, subject, in the case of such fee letters, to redaction solely of fee and other economic provisions that are customarily redacted in connection with transactions of this type and that could not in any event affect the conditionality, enforceability, availability or amount of the Debt Financing.

(c) Except as expressly set forth in the Debt Commitment Letter, there are no conditions precedent to the obligations of the Lenders to provide the Debt Financing or any contingencies that would permit the Lenders to reduce the total amount of the Debt Financing, including any condition or other contingency relating to the amount or availability of the Debt Financing pursuant to any "flex" provision. Buyer does not have any reason to believe that it will be unable to satisfy on a timely basis all terms and conditions to be satisfied by it in the Debt Commitment Letter on or prior to the Closing Date, nor does Buyer have knowledge that any of the Lenders will not perform its obligations thereunder. As of the date of this Agreement, there are no side letters, understandings or other agreements, contracts or arrangements of any kind relating to the Debt Commitment Letter that could affect the availability, conditionality, enforceability or amount of the Debt Financing contemplated by the Debt Commitment Letter.

(d) As of the date hereof, the Debt Commitment Letter constitutes the legal, valid and binding obligation of Buyer and, to the knowledge of Buyer, the other parties thereto and is in full force and effect, in each case subject to the Enforceability Exceptions. As of the date hereof, Buyer has no knowledge of any event that has occurred which (with or without notice, lapse of time or both) could constitute a breach or failure to satisfy a condition by Buyer under the terms and conditions of the Debt Commitment Letter, and Buyer does not have any reason to believe that, assuming the satisfaction of the conditions set forth in Sections 7.01 and 7.02, any of the conditions to the Debt Financing will not be satisfied by Buyer on a timely basis or that the Debt Financing will not be available to Buyer on the date of the Closing. Buyer has paid, or caused to be paid, in full any and all commitment fees or other fees required to be paid pursuant to the terms of the Debt Commitment Letter on or before the date of this Agreement, and will pay, or cause to be paid, in full any such amounts due on or before the Closing Date. The Debt Commitment Letter has not been modified, amended or altered and none of the respective commitments thereunder has been withdrawn

or rescinded in any respect, and, to the knowledge of Buyer, no withdrawal or rescission thereof is contemplated. No modification or amendment to the Debt Commitment Letter is currently contemplated by Buyer or, to the knowledge of Buyer, by any other party to the Debt Commitment Letter.

(e) On the Closing Date, assuming the Debt Financing is funded in accordance with the Commitment Letter, Buyer will have available to it the funds necessary to consummate the transactions contemplated by the Transaction Documents and to make all payments required to be made in connection therewith including the funds to purchase the Sold Shares on the terms and conditions contemplated by this Agreement, to consummate the other transactions contemplated by the Transaction Documents and to pay all associated costs and expenses required to be paid by Buyer or otherwise necessary for Buyer to timely consummate the transactions contemplated by the Transaction Documents, including payment of the Estimated Purchase Price (and all adjustments thereto).

(f) The Buyer's obligation to consummate the transactions contemplated hereby is not in any event contingent upon the availability of any funds or financing or its ability to secure financing or complete any public or private placement of securities prior to or upon the Closing (including for the avoidance of doubt, the Debt Financing).

(g) Notwithstanding anything to the contrary contained herein, the Company and the Company Subsidiaries agree that a breach of this representation and warranty on the Closing Date shall not result in the failure of a condition precedent to the Company's and the Company Subsidiaries' obligations under this Agreement, if (notwithstanding such breach) Buyer is willing and able to consummate the purchase of the Sold Shares on the Closing Date.

Section 5.09 No Other Representations or Warranties. The Buyer acknowledges and agrees that, except for the representations and warranties of the Company and the Seller expressly set forth in Article 3 and Article 4, respectively, and the Transaction Documents, none of the Seller or any Affiliate thereof, or any other Person on behalf of the Seller or any Affiliate thereof, has made or makes, and the Buyer and its Affiliates have not relied upon, any representation or warranty, whether express or implied, with respect to the Business, Parent, the Seller, the Company, the Company Subsidiaries or any Affiliate thereof, or their respective businesses, affairs, assets, liabilities, financial condition, results of operations, future operating or financial results, estimates, projections, forecasts, plans or prospects (including the reasonableness of the assumptions underlying such estimates, projections, forecasts, plans or prospects) or with respect to the accuracy or completeness of any other information provided or made available to the Buyer or its Affiliates any of their respective representatives by or on behalf of the Seller or any Affiliate or representative thereof. The Buyer acknowledges and agrees that none of the Seller or any Affiliate thereof, or any other Person or entity on behalf of the Seller or any Affiliate thereof, has made or makes, and the Buyer and its Affiliates have not relied upon, any representation or warranty, whether express or implied, with respect to any projections, forecasts, estimates or budgets made available to the Buyer or any of its representatives of future revenues, future results of operations (or any component thereof), future cash flows or future financial condition (or any component thereof) of any of the Seller, the Company, the Company Subsidiaries or any Affiliates thereof or the Business. The Buyer acknowledges and agrees that none of the Seller or any Affiliate thereof, or any other Person or entity on behalf of the Seller or any Affiliate thereof, has made or makes, and the Buyer has not relied upon, any representation or warranty, whether express or implied, with respect to the businesses of Parent and its Affiliates (other than the Business). Nothing in this Section 5.09 shall limit any claim involving actual fraud.

ARTICLE 6.
INTERIM COVENANTS

Section 6.01 Conduct of Business Prior to Closing. From the date hereof until the earlier of (x) the termination of this Agreement or (y) the Closing, except as (i) expressly contemplated by this Agreement, (ii) consented to in writing by the Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), (iii) otherwise contemplated by the Pre-Closing Restructuring or as set forth on Schedule 6.01 of the Company Disclosure Schedule, (iv) required by Law or any actions taken, or omitted, in response to COVID-19 or COVID-19 Measures, so long as the Seller consults with the Buyer regarding such actions or omissions and considers the reasonable requests of the Buyer with respect to such actions or omissions or (v) solely relating (and solely to the extent relating) to Parent's businesses other than the Business (clauses (i) to (iv) collectively, the "IOC Exceptions"), the Seller shall, and shall cause the Company and the Company Subsidiaries to: (i) conduct the Business in the ordinary course of business in all material respects; and (ii) use commercially reasonable efforts to maintain and preserve intact the Business and the current organization and franchise of the Company and the Company Subsidiaries and to preserve the rights, franchises, goodwill and relationships of its material clients, vendors and others having material business relationships with the Company, the Company Subsidiaries or the Business. Without limiting the generality of the foregoing, from the date hereof until the earlier of (x) the termination of this Agreement or (y) the Closing Date, except as permitted by the IOC Exceptions, the Seller shall not, and shall cause each of its Subsidiaries (including the Company and the Company Subsidiaries) not to (in each case, solely with respect to the Business):

(a) (i) assign, sell (or agree to sell), transfer, convey, lease, license, abandon, permit to lapse, place in the public domain or otherwise dispose of any material Company IP other than non-exclusive licenses of Company IP in the ordinary course of business, or (ii) mortgage, encumber or create or otherwise incur any Lien on any property or assets other than Permitted Liens;

(b) except as required by the terms of any Employee Benefit Plan or as required by Law, (i) increase the compensation of any of the Company or any Company Subsidiary's employees or other service providers or any Business Employees; (ii) adopt or amend any Employee Benefit Plan (except pursuant to an action that applies uniformly to employees of the Company and Company Subsidiaries and to other similarly situated employees of Seller and its Affiliates); (iii) take any action to accelerate the vesting of, or payment of, any compensation or benefit under any Employee Benefit Plan; (iv) other than in the ordinary course outside of the United States, enter into any employment or similar agreement with any employee or other service provider of the Company; or (v) grant any retention, severance (other than in the ordinary course, consistent with past practices previously disclosed to the Buyer), or change in control compensation, or commit to pay such compensation to, any employee, director, officer, or independent contractor of the Company and the Company Subsidiaries or to any Business Employee;

(c) except in the ordinary course of business consistent with past practice, hire, promote, terminate (other than for cause) or transfer to or out of the Company or the Company Subsidiaries, the employment or services of any director or employee of the Company, a Company Subsidiary or who otherwise constitutes a Business Employee who is the position of Vice President or above or any other employee or service provider whose annual base compensation exceeds, or would exceed following the hiring or promotion of such individual, $100,000 per annum;

(d) enter into any Contract with any labor union, works council or collective bargaining agreement to which the Company or any Company Subsidiary is a party, other than as required by Law;

(e) modify, amend, terminate, cancel or renew, or agree to any waiver under, any of the Material Contracts, or enter into or amend any Contract that, if existing on the date hereof, would be a Material Contract;

(f) make any change to its accounting methods, principles or practices, except as may be required by applicable Law;

(g) make any amendment or change to the Company or any Company Subsidiary's certificate of incorporation or bylaws or similar organizational documents;

(h) redeem, repurchase or otherwise acquire, directly or indirectly, any shares of capital stock or other equity interests of the Company or any Company Subsidiary;

(i) declare or pay any dividends or distributions to any Person (other than to the Company or a Company Subsidiary), except for the declaration and payment by the Company or any Company Subsidiary of any cash dividend or distribution prior to the Closing Date;

(j) issue, deliver, pledge, sell dispose of or encumber any capital stock or other equity interests, or securities convertible into or exchangeable for capital stock or other equity interests, or options, warrants, calls, subscriptions or other rights to purchase any capital stock or other equity interests of the Company or the Company Subsidiaries or reclassify, split, combine or subdivide the capital stock or other equity interests of the Company or the Company Subsidiaries;

(k) commence, settle or compromise, or propose to settle or compromise any lawsuit, dispute or other Action involving the Company, the Company Subsidiaries or any of their respective directors, managers or officers (in their capacities as such), other than settlements or compromises of any lawsuit, dispute or other proceeding in the ordinary course of business where (x) the amount paid in settlement or compromise does not exceed $100,000 individually or $250,000 in the aggregate (excluding any amounts covered by insurance or paid by the Parent Group), (y) such payment is made in exchange for a release of claims on behalf of the Company, the Company Subsidiaries or their respective directors, managers or officers (in such capacity), as applicable, and involves no admission of liability on behalf of such Persons, and (z) such settlement or compromise does not involve the assumption of any obligations (financial or otherwise) by the Company Group other than the payment referenced in clause (x) (it being agreed and understood that this clause (k) shall not apply with respect to Tax matters, which shall be governed by Section 6.01(k));

(l) make, change or revoke any material Tax election; settle or compromise with any Governmental Authority any claim or assessment in respect of material Taxes; change any annual Tax accounting period, adopt or change any material method of Tax accounting; file any amended material Tax Return; enter into any material Tax allocation agreement, Tax sharing agreement, Tax indemnity agreement or closing agreement relating to any Tax (excluding, in each case, any agreements the principle purpose of which is not to address Tax matters); fail to pay any material Tax due and payable; surrender any right to claim a material Tax refund; or consent to any extension or waiver of the statute of limitations period applicable to any material Tax claim or assessment;

(m) make any loans, advances or capital contributions to, or investments in, any Person, or otherwise incur any third party Indebtedness for borrowed money (other than trade accounts payable incurred in the ordinary course of business consistent with past practice, short-term working capital financing and intercompany Indebtedness between the Company and Company Subsidiaries);

(n) forgive, cancel or compromise any Indebtedness for borrowed money or claim, or waive or release any right of value;

(o) manage payables, receivables or working capital, other than in the ordinary course of business;

(p) except as set forth in the capital budget made available to the Buyer, make any capital expenditures or incur any obligations or commitments to make any capital expenditures following the Closing;

(q) make or agree to make any write-off or write-down, or any determination to write-off or write-down, or revalue any assets of the Company or the Company Subsidiaries, other than write-downs in the ordinary course of business, and except in each case as required by GAAP; or

(r) agree to take any of the actions described in sub-clauses (a) through (q) above.

Section 6.02 Governmental Approvals and Third Party Consents.

(a) Each party hereto shall, as promptly as possible, use reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from, and provide, or cause to be provided, all notices to, all Governmental Authorities and Antitrust Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement, including, without limitation, the approvals, consents and/or notices set forth on Schedules 6.02(a)(i) and (ii) of the Company Disclosure Schedule (the "Required Approvals and Filings"). Each party shall cooperate fully with the other party and its Affiliates in promptly seeking to obtain or provide all such consents, notices authorizations, orders and approvals. The parties hereto shall not take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, notices, authorizations, orders and approvals. Each party hereto agrees to make an appropriate filing pursuant to the HSR Act and all Required Approvals and Filings with respect to the transactions contemplated by this Agreement within ten (10) Business Days after the date hereof and to supply as promptly as practicable to the appropriate Governmental Authority any additional information and documentary material that may be requested pursuant to the HSR Act and in connection with such Required Approvals and Filings, as applicable. Notwithstanding any other provision of this Agreement to the contrary, in no event shall the Buyer have any obligation to (A) propose, negotiate, commit to or effect, by consent decree, hold separate order or otherwise, the sale, divestiture or other disposition of any assets or businesses of the Buyer, the Business or any of their Subsidiaries or Affiliates or (B) otherwise take or commit to take any actions that would limit the freedom of the Buyer, the Business, or any of their Subsidiaries or Affiliates, with respect to, or their ability to retain or operate, their businesses or assets, in the case of each of clauses (A) and (B), if any such action would reasonably be expected to, individually or in the aggregate, impact Buyer, the Company or their respective Subsidiaries in a manner or amount that is material relative to the value of the Company and the Company Subsidiaries, taken as a whole; provided, however, that the Buyer can compel the Company to take any of the actions referred to above (or agree to take such actions) if such actions are only effective from and after the Closing. The fees associated with any appropriate filings made pursuant to the HSR Act shall be paid by the Buyer. Notwithstanding anything to the contrary, the Purchaser agrees not to, and shall cause its Affiliates not to, file any application to form a new title agency prior to the Closing to the extent the formation thereof would reasonably be expected to delay the obtaining of, or result in not obtaining, any Required Approvals and Filings.

(b) To the extent not prohibited by applicable Law, the Buyer and the Seller shall each keep the other apprised of the status of matters relating to the completion of the Sale and the other transactions contemplated by this Agreement and work cooperatively in connection with obtaining all required consents,

clearances, expirations or terminations of waiting periods, authorizations, orders or approvals of, or any exemptions by, any Governmental Authority or Antitrust Authority. To the extent not prohibited by applicable Law and subject to the NDA, all analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments, and proposals (in each case, whether written or oral) made by or on behalf of either party before any Antitrust Authority or the staff or regulators of any Antitrust Authority or to any Governmental Authority or the staff or regulators of any Governmental Authority in connection with the Required Approvals and Filings, in connection with the transactions contemplated hereunder shall be disclosed to the other party hereunder in advance of any filing, submission or attendance with sufficient time to permit the other party to review and discuss in advance, and the parties will promptly consult and cooperate with one another, and consider in good faith the views of one another, in connection with any such analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments, and proposals (in each case, whether written or oral). To the extent not prohibited by applicable Law and subject to the NDA, each party shall give prior written notice to the other party with respect to any formal meeting, discussion, appearance or contact with any Antitrust Authority or the staff or regulators of any Antitrust Authority or to any Governmental Authority or the staff or regulators of any Governmental Authority in connection with the Required Approvals and Filings, with such notice being sufficient to provide the other party with the opportunity to attend and participate in such meeting, discussion, appearance or contact. No party shall participate in any meeting with any Governmental Authority or Antitrust Authority in connection with this Agreement or the transactions contemplated hereby, or make oral submissions at meetings or in telephone or other conversations, unless it consults with the other party in advance and, to the extent not prohibited by such Governmental Authority or Antitrust Authority, gives the other party the opportunity to attend and participate thereat. To the extent not prohibited by applicable Law and subject to the NDA, each party shall furnish the other party with such necessary information and reasonable assistance as the other party may reasonably request in connection with its preparation of necessary filings or submissions of information to any such Governmental Authority or Antitrust Authority or other such Person. The Buyer and the Seller may, as each deems advisable and necessary, reasonably designate any competitively sensitive material provided to the other party under this Agreement as "outside counsel/corporate in-house counsel only." Such designated materials, and the information contained therein, shall be given only to the outside legal counsel and corporate in-house counsel of the recipient involved in the transactions contemplated by this Agreement and shall not be disclosed by such outside counsel and corporate in-house counsel to employees (other than corporate in-house counsel), officers or directors of the recipient unless express permission is obtained in advance from the source of the materials (the Buyer or the Seller, as the case may be) or its legal counsel; it being understood that materials provided pursuant to this Agreement may be redacted (i) to remove references concerning the valuation of the Business, (ii) as necessary to comply with contractual arrangements and (iii) as necessary to address reasonable privilege concerns.

(c) The Seller and the Buyer will have joint control of all decisions, strategies, communications and timing with respect to the Required Approvals and Filings; provided that in the event of any disagreement between the Seller and the Buyer with respect to such matters, the Buyer and the Seller shall use good faith to resolve such disagreement, and if despite good faith negotiation, the parties nevertheless disagree, the Buyer shall direct the process of obtaining such Required Approvals and Filings.

(d) The Seller, in consultation with the Buyer, shall use commercially reasonable efforts to give all notices to, and obtain all consents from, third parties to the extent required under the terms of any Material Contract to which the Company or any Company Subsidiary is a party in connection with the transactions contemplated by this Agreement, and the Seller and the Buyer shall provide each other with such assistance and information as is reasonably required to obtain such approvals.

Section 6.03 Notification of Certain Matters. Prior to the Closing, the Seller shall give prompt notice (upon having Knowledge) to the Buyer of (i) any complaints, subpoenas, investigations, audits,

reviews or hearings of any Governmental Authority affecting the Business that, if adversely determined, would reasonably be expected to be material to the Business, the Company and the Company Subsidiaries, taken as a whole and for which the Company or any Company Subsidiary has received written or, to the Company's Knowledge, other notice; (ii) any written or, to the Company's Knowledge, other notice from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement (which failure to obtain would reasonably be expected to be material to the Business, the Company and the Company Subsidiaries, taken as a whole); (iii) any written or, to the Company's Knowledge, other notice from any Governmental Authority indicating that any Approval has been revoked or is about to be revoked or that an Approval is required in any jurisdiction in which such Approval has not been obtained (which revocation or failure to obtain would reasonably be expected to be material to the Business, the Company and the Company Subsidiaries, taken as a whole); and (iv) any Proceeding commenced or, to its Knowledge, threatened against, relating to, involving or otherwise affecting the Business, the Company or any Company Subsidiary that would reasonably be expected to be material to the Business, the Company and the Company Subsidiaries, taken as a whole. Each of the Seller and the Buyer shall give prompt notice (upon having Knowledge) to the other party of any event, condition, fact or circumstance that would make the timely satisfaction of any of the conditions set forth in Article 7 impossible or reasonably unlikely. The delivery of any notice pursuant to this Section 6.03 shall not limit or otherwise affect any remedies available to the party receiving such notice. The failure to deliver a notice pursuant to this Section 6.03 shall not be considered in determining whether the conditions set forth in Article 7 have been satisfied; provided, that this sentence shall not prevent the matters that would have required disclosure under this Section 6.03 from being considered in determining whether the conditions set forth in Article 7 have been satisfied.

Section 6.04 Use of Marks.

(a) Except as expressly provided in this Section 6.04, neither Buyer nor any of its Affiliates shall use, or have or acquire the right to use or any other the Parent Names. Within thirty (30) days of Closing, Buyer shall cause each member of the Company Group having a name, trademark, service mark or logo that includes the Parent Names ("Corporate Names") to change its name to a name that does not include any Parent Name, including making any legal filings necessary to effect such change.

(b) Except as provided in Section 6.04(a) with respect to the change of Corporate Names, each member of the Company Group may continue temporarily to use the Parent Names following the Closing, to the extent and in the same manner as used immediately prior to Closing, so long as Buyer shall, and shall cause its Affiliates to, (i) immediately after the Closing, cease to hold itself out as having any affiliation with Parent or any of its Affiliates and (ii) use reasonable best efforts to minimize and eliminate use of the Parent Names by the Company Group; provided, that as soon as practicable after the Closing Date (and in any event within thirty (30) days thereafter), Buyer shall and shall cause each member of the Company Group to (x) cease and discontinue use of all Parent Names and (y) complete the removal of the Parent Names from all products, services, platforms, websites, signage, vehicles, properties, technical information, stationery and promotional or other marketing materials and other assets. Notwithstanding the foregoing, the Company Group may continue to use existing notepads and other office supplies and documentation that is used internally to the extent and in the same manner as used immediately prior to Closing even if such supplies or documentation contain the Parent Names as long as it complies with clauses (i) and (ii) of this Section 6.04(b).

Section 6.05 R&W Policy. The Buyer shall use its reasonable best efforts to maintain the R&W Policy in full force and effect for the policy period set forth therein; provided that, for the avoidance of doubt, the foregoing shall not be interpreted to in any way limit Buyer's right to control all decisions, which, subject to the Buyer's obligations under Article 9, shall be at the Buyer's discretion, with respect to any claims or potential claims under the R&W Policy, including the handling and recovery with respect to such claims and potential claims.

Section 6.06 Termination of Affiliate Agreements; Assignment of Third Party Contracts; Amendment of Shared Contracts.

(a) Except as otherwise expressly contemplated by this Agreement or the Transition Services Agreement, any Contracts to which any third party is a party, or as set forth on Schedule 6.06(a) of the Company Disclosure Schedule, Seller shall, and shall cause its Affiliates to, effective upon the Closing, execute and deliver such releases, termination agreements and discharges as are necessary to terminate, eliminate and release, as applicable (by way of capital contribution, cash settlement or as otherwise determined by Seller in its sole discretion), each and every Affiliate Agreement and other arrangement, commitment, receivable, payable, claim, demand, right, loan, or Tax sharing agreement between the Company or a Company Subsidiary, on the one hand, and Seller, Parent or any of their respective Affiliates (other than the Company and the Company Subsidiaries), on the other hand without any party having any continuing obligations or Liability to the other. Seller shall provide Buyer with copies of all documentation contemplated by this Section 6.06.

(b) Prior to the Closing, the Seller and Buyer shall, in consultation with each other, use their respective commercially reasonable efforts to separate the Shared Contracts identified on Schedule 3.25 of the Company Disclosure Schedule into two contracts effective as of the Closing with the applicable counterparty, one contract with terms and conditions that are exclusively related to the Business (the "Transferred Shared Contract") and one contract that exclusively relates to the other businesses of the Seller or its other Affiliates (the "Retained Shared Contract") in each case on terms and conditions which, in the aggregate, are comparable to those of such Shared Contract prior to the separation (unless explicitly agreed by Buyer on a case-by-case basis). At the Buyer's request, the Seller shall also use commercially reasonable efforts to remove the Company or the Company Subsidiaries, as applicable, as a party to a Shared Contract prior to or upon the Closing. Pursuant to the Transferred Shared Contracts and Retained Shared Contracts, the Parent Group will assume all of the rights and obligations under such Shared Contract that relate to Parent's businesses other than the Business, on the one hand, and the Company Group will assume all of the rights and obligations under such Shared Contract that relate to the Business, on the other hand. In the case of the Parent Group, the Retained Shared Contract will cause the applicable counterparty to release the Company Group, as applicable, from the obligations of the Parent Group arising after the Closing under the portion of the Shared Contract apportioned to the Parent Group and, in the case of the Company Group, the Transferred Shared Contract will cause the applicable counterparty to release the Parent Group from the obligations of the Company Group arising after the Closing under the portion of the Shared Contract apportioned to the Company Group. From and after the Closing, to the extent any Shared Contract is not separated into a Transferred Shared Contract and Retained Shared Contracts in accordance with this Section 6.06(b), (x) the Buyer and the Company Group shall not extend the term or otherwise amend the terms of any such Shared Contract in a manner that would adversely affect any member of the Parent Group without the Seller's prior written consent, (y) the Seller and other members of the Parent Group shall not extent the term or otherwise amend the terms of any such Shared Contract in a manner that would adversely affect the Buyer or the Company Group without the Buyer's prior written consent and (z) to the extent that no member of the Company Group or the Parent Group, as applicable, is a party to such Shared Contract, the Buyer and the Seller shall enter into an appropriate transitional arrangement for the remaining term of such Shared Contract to provide the Company Group or the Parent Group with the rights and obligations under such Shared Contract that relate to the Business or the other businesses (other than the Business) of the Parent Group, as applicable. Notwithstanding anything to the contrary contained herein, none of Parent, the Seller, Buyer or any of their respective Affiliates shall have any obligation to make any payments or other concessions, or incur any other liability, or commence or participate in any Action to obtain any consents of third parties or effect any of the transfers or arrangements contemplated by this Section 6.06(b). Buyer acknowledges that the consummation of the Closing is not conditioned upon the receipt of any such consents, transfers or arrangements.

(c) The Buyer acknowledges, on behalf of itself and its Subsidiaries, that (i) the Business as presently conducted receives or benefits from Overhead and Shared Services furnished by Parent or its Affiliates (other than the Company and the Company Subsidiaries), and (ii) effective as of the Closing, the sole obligations of the members of Parent and its Affiliates with respect to the provision of any Overhead and Shared Services to the Business shall be as set forth in the Transition Services Agreement if any.

Section 6.07 Access. From the date hereof until the Closing or the earlier termination of this Agreement, except as determined by the Seller or the Company in good faith (i) to be necessary to ensure compliance with any applicable Laws or (ii) to reasonably be expected to waive the attorney-client privilege, other legal privilege or violate any contractual confidentiality obligations (provided that, upon Buyer's written request, the Company shall use commercially reasonable efforts to obtain the consent of any Person necessary to permit disclosure of any information subject to such contractual confidentiality obligations and otherwise make appropriate alternative disclosure arrangements in a manner that would not reasonably be expected to violate such Laws, waive such privilege or violate such obligations), the Company shall give and shall cause the Company Subsidiaries to give Buyer and its representatives, upon reasonable advance written notice, reasonable access, during normal business hours, to the assets, properties, books, records and agreements of the Company and the Company Subsidiaries, and the Company shall, and shall cause the Company Subsidiaries to, permit Buyer and its representatives to make such inspections as Buyer may reasonably require and to furnish Buyer and its representatives during such period with all such information relating to the Company and the Company Subsidiaries as Buyer may from time to time reasonably request; provided, however, that none of the Company or the Company Subsidiaries shall be required to (x) make available medical records, workers compensation records, the results of any drug testing or other sensitive or personal information if doing so could reasonably be expected to result in a violation of applicable Law or (y) provide any Tax Returns or other books and records related to Taxes, except as provided by Section 8.05; provided, further, that any such access shall not unreasonably interfere with the normal operations of the Seller or its Affiliates, including the Company or the Company Subsidiaries. All of such information will be treated as confidential information pursuant to the terms of the NDA. Notwithstanding anything to the contrary in this Agreement, the Company and the Company Subsidiaries shall not be required to make available personnel records relating to any Person's individual performance, evaluation records, medical records, workers compensation records, the results of any drug testing or other sensitive or personal information if doing so would reasonably be expected to result in a violation of applicable Law.

Section 6.08 Closing Conditions. From the date hereof until the Closing, each party hereto shall, and the Seller shall cause the Company to, use commercially reasonable efforts to take such actions as are necessary to expeditiously satisfy the Closing conditions set forth in Article 7 hereof in accordance with the terms hereof.

Section 6.09 Pre-Closing Restructuring. At or prior to the Closing, Parent, the Seller, the Company and certain of Parent's other Subsidiaries shall consummate the Pre-Closing Restructuring as set forth on Exhibit A attached hereto.

Section 6.10 Retained Earnings; Financial Statements.

(a) Prior to the Closing Date, the Seller shall deliver to the Buyer a good faith estimate, together with reasonable supporting details, of Retained Earnings after the end of each calendar month occurring after the date of this Agreement and prior to the Closing Date (each a "Monthly Retained Earnings Estimate") no later than ten (10) days after any such month-end.

(b) On or before March 31, 2021, the Seller shall deliver to the Buyer audited consolidated balance sheets of the Business as of December 31, 2019 and as of December 31, 2020 and the related audited consolidated statements of operations and cash flows for the fiscal years ended December 31, 2019 and December 31, 2020, together with all notes and schedules thereto (the "Audited Financial Statements"). Subject to the Buyer's good faith cooperation following the Closing, and at Buyer's sole cost and expense, the Seller shall provide such assistance as reasonably requested by the Buyer to obtain the consent of Seller's independent auditing firm to the filing by the Buyer of such Audited Financial Statements with the SEC, and in the event the Closing has not occurred prior to the end of any fiscal quarter of the Seller ending after December 31, 2020, the Seller shall deliver to the Buyer unaudited consolidated balance sheets of the Business as of the end date for such fiscal quarter and the related unaudited consolidated statements of operations and cash flows for such fiscal quarter no later than forty-five days (45) after the end of such fiscal quarter (the "Interim Financial Statements" and together with the Audited Financial Statements, the "Needed Financial Statements"). The Needed Financial Statements shall be prepared in accordance with the requirements of Regulation S-X promulgated under the Securities Act and GAAP (applied on a consistent basis throughout the periods covered).

(c) Following the Closing, the Seller shall permit the Buyer and its representatives to contact the Seller's accountants, auditors and employees, and the Seller shall, and shall use its commercially reasonable efforts to cause such accountants, auditors and employees to, discuss, cooperate and provide information reasonably requested by the Buyer or its representatives, in order for the Buyer to prepare (i) financial statements of the Business following the Closing (to the extent covering any period prior to the Closing) and (ii) pro forma financial statements of the Buyer that meet the requirements of Regulation S-X promulgated under the Securities Act; provided that such discussions, cooperation and provision shall be at the sole cost and expense of the Buyer and shall not unreasonably interfere with the normal operations of the Seller.

Section 6.11 Release. As a material inducement to the Buyer's, on the one hand, and the Seller's, on the other hand, willingness to enter into and perform this Agreement and to purchase the Sold Shares for the consideration to be paid or provided to Seller in connection with such purchase, effective as of the Closing, Seller and Parent, on their behalf and on behalf of their Affiliates, heirs, successors and assigns (each, a "Seller Releasor") on the one hand, and the Buyer, on their behalf and on behalf of their Affiliates (including the Company and the Company Subsidiaries as of the Closing), heirs, successors and assigns (each, a "Buyer Releasor," and together with Seller Releasors, the "Releasors"), on the other hand, do hereby irrevocably and unconditionally agree and covenant not to sue or prosecute against (i) in the case of the Seller Releasor, the Company and Company Subsidiaries and each of their respective individual, joint or mutual, past, present and future representatives, Affiliates, equityholders, officers, directors, employees, successors and assigns, and such Persons' Affiliates, equityholders, officers, directors, employees, successors and assigns (each, a "Seller Releasee") in their capacities as such, and (ii) in the case of the Buyer Releasor, Parent, the Seller and each of their respective individual, joint or mutual, past, present and future representatives, Affiliates, equityholders, officers, directors, employees, successors and assigns, and such Persons' Affiliates, equityholders, officers, directors, employees, successors and assigns (each, a "Buyer Releasee," and together with Seller Releasors, the "Releasees") in their capacities as such, and in each case, hereby forever waive, release and discharge, to the fullest extent permitted by applicable Law each Releasee in their capacities as such from any and all Actions, liabilities, losses, damages, costs, or expenses whatsoever, that such Releasor now has or hereafter may have, of whatsoever nature and kind, whether known or unknown, whether now existing or hereafter arising, whether arising at law or in equity, against any or all of the Releasees, based on facts, whether or not now known, existing on or before the Closing Date in each case relating to the Business, the Company and the Company Subsidiaries; provided that such release will not affect (x) any rights of any Releasors or Releasees under this Agreement or any Transaction Document or (y) any claims against any Releasee for actual fraud. Each of the Seller and Parent, on one hand, and the Buyer, on the other hand, hereby represent that it has not initiated or filed, and

hereby agrees that it shall not initiate or file, any lawsuit of any kind whatsoever, or any complaint or charge against any Seller Releasee (in the case of the Seller) and any Buyer Releasee (in the case of the Buyer) with respect to the matters released and discharged pursuant to this Section 6.11. The Releasors also hereby waive the benefits of, and any rights that the Releasors may have with respect to the matters released and discharged pursuant to this Section 6.11 under, any statute or common law principle of similar effect in any jurisdiction. The Releasors understand and acknowledge that they may discover facts different from, or in addition to, those which they know or believe to be true with respect to any claims released herein, and agree that other than any claims for actual fraud, (i) it is the intention of the Releasors to fully, finally and forever waive, release and relinquish all claims against any Seller Releasee (in the case of the Seller) and any Buyer Releasee (in the case of the Buyer), and (ii) this release shall be and remain effective in all respects notwithstanding any subsequent discovery of different and/or additional facts.

Section 6.12 No Solicitation; Other Offers. From and after the date of this Agreement until the earlier of the Closing or the termination of this Agreement in accordance with its terms, the Seller shall not, and shall cause each of its representatives, the Company and the Company Subsidiaries (and each of their respective representatives) not to, directly or indirectly, (i) solicit, initiate, knowingly facilitate, knowingly support, seek, induce, entertain or knowingly encourage, or take any action to solicit, initiate, knowingly facilitate, knowingly support, seek, induce, entertain or knowingly encourage any inquiries, announcements or communications relating to, or the making of any submission, proposal or offer that constitutes or that would reasonably be expected to lead to, an Acquisition Proposal, (ii) enter into, participate in, maintain or continue any discussions or negotiations relating to, any Acquisition Proposal with any Person other than the Buyer, (iii) furnish to any Person other than the Buyer any information that the Seller believes would be used for the purposes of formulating any inquiry, expression of interest, proposal or offer relating to an Acquisition Proposal, or take any other action regarding any inquiry, expression of interest, proposal or offer that constitutes, or would reasonably be expected to lead to, an Acquisition Proposal, (iv) accept any Acquisition Proposal or enter into any agreement, arrangement or understanding (whether written or oral) providing for the consummation of any transaction contemplated by any Acquisition Proposal or otherwise relating to any Acquisition Proposal or (v) submit any Acquisition Proposal or any matter related thereto to the vote of the equityholders of the Seller, the Company or the Company Subsidiaries. The Seller shall, and shall cause each of its representatives and each of the Company and the Company Subsidiaries (and each of their respective representatives) to, immediately cease and cause to be terminated any and all existing activities, discussions or negotiations with any Persons conducted prior to or on the date of this Agreement with respect to any Acquisition Proposal.

Section 6.13 Debt Financing.

(a) Buyer shall use its reasonable best efforts to take, or cause to be taken, all actions, and do, or cause to be done, all things necessary, proper or advisable to obtain funds sufficient to purchase the Sold Shares on or prior to the date upon which the Sale is required to be consummated pursuant to the terms hereof. In furtherance and not in limitation of the foregoing, Buyer shall use its reasonable best efforts to take, or cause to be taken all actions and to do, or cause to be done, all things necessary, advisable or proper to obtain the proceeds of the Debt Financing on the terms and conditions described in the Debt Commitment Letter(s) prior to the date upon which the Sale is required to be consummated pursuant to the terms hereof, including by using reasonable best efforts to (i) maintain in effect the Debt Commitment Letter, (ii) negotiate and enter into definitive agreements with respect to the Debt Financing (the "Definitive Debt Agreements") on the terms and conditions contained therein (including, as necessary, the "flex" provisions contained in any related fee letter) (or on terms and conditions, taken as a whole, no less favorable to Buyer than the terms and conditions in the Debt Commitment Letter as in effect as of the date hereof and that would be permitted by Section 6.13(b) assuming Buyer effected such change by way of an amendment) and (iii) satisfy on a timely basis all conditions in the Debt Commitment Letter and the Definitive Debt Agreements, comply with its obligations thereunder. Buyer shall use reasonable best efforts to enforce its

rights under the Debt Commitment Letter of the Definitive Debt Agreements (including in the event of any breach or purported breach thereof) in a timely and diligent manner. Without limiting the generality of the foregoing, in the event that all conditions contained in Section 7.01 and Section 7.02 (except those that, by their nature, are to be satisfied at the Closing; provided that such conditions would be so satisfied as of such date) have been satisfied or (to the extent permitted by applicable Law) waived, and all of the conditions in the Debt Commitment Letter or the Definitive Debt Agreements (other than the consummation of the Sale) have been satisfied, Buyer shall use its reasonable best efforts to cause the Lenders to fund the Debt Financing, to the extent the proceeds thereof are required to consummate the transactions contemplated by this Agreement.

(b) Buyer shall not, without the prior written consent of the Company, permit any amendment or modification to, or any waiver of any provision or remedy under, or any replacement of, the Debt Commitment Letter or the Definitive Debt Agreements if such amendment, modification, waiver or replacement: (1) adds new (or adversely modifies any existing) conditions to the consummation of all or any portion of the Debt Financing, (2) reduces the amount of the Debt Financing to an amount that, together with the Buyer's and its Subsidiaries' cash on hand, would be as of such date and as of the Closing Date less than the amount required to consummate the transactions contemplated by this Agreement, (3) materially adversely affects the ability of Buyer to enforce its rights against other parties to the Debt Commitment Letter or the Definitive Debt Agreements as so amended, replaced, supplemented or otherwise modified, relative to the ability of Buyer to enforce its rights against the other parties to the Debt Commitment Letter as in effect on the date hereof or (4) could otherwise reasonably be expected to prevent, impede or delay the consummation of the Sale and the other transactions contemplated by this Agreement. Buyer shall promptly deliver to the Company copies of any such amendment, modification, waiver or replacement.

(c) In the event that any portion of the Debt Financing becomes unavailable, regardless of the reason therefor, Buyer will (A) use reasonable best efforts to obtain alternative debt financing (in an amount sufficient, when taken together with the available portion of the Debt Financing, to consummate the transactions contemplated by this Agreement (including to pay the cash consideration in respect of the purchase of Sold Shares) from the same or other sources and which do not include any conditions to the consummation of such alternative debt financing that are, when taken as a whole, materially more onerous than the conditions set forth in the Debt Financing and (B) promptly notify the Company of such unavailability and the reason therefor. For the purposes of this Agreement, references to "Debt Financing" shall include the financing contemplated by the Debt Commitment Letter as permitted to be amended, replaced, supplemented or otherwise modified or replaced by this Section 6.13 (and any alternative financing obtained in accordance with this Section 6.13), and "Debt Commitment Letter" and "Definitive Debt Agreements" shall be deemed to include, respectively, such documents as permitted to be amended, replaced, supplemented or otherwise modified or replaced by this Section 6.13, and such documents entered into with respect to any alternative financing arranged in compliance herewith (and any Debt Commitment Letter remaining in effect at the time in question). Buyer shall provide the Company with prompt oral and written notice of any actual or threatened breach, default, termination or repudiation by any party to the Debt Commitment Letter or any Definitive Debt Agreement and a copy of any written notice or other written communication from any Lender or other financing source with respect to any breach, default, termination or repudiation by any party to the Debt Commitment Letter or any Definitive Debt Agreement of any provision thereof. Buyer shall keep the Company reasonably informed on a current basis of the status of its efforts to consummate the Debt Financing. The foregoing notwithstanding, compliance by Buyer with this Section 6.13 shall not relieve Buyer of their obligations to consummate the transactions contemplated by this Agreement whether or not the Debt Financing is available.

(d) From the date hereof until the Closing (or the earlier termination of this Agreement pursuant to the terms hereof), subject to the limitations set forth in this Section 6.13, the Company and the

Company Subsidiaries shall, and shall use reasonable best efforts to cause their respective accounting representatives to, in each case at Buyer's sole expense, use reasonable best efforts to provide customary and reasonable cooperation to Buyer in connection with the arrangement, marketing, underwriting, syndication and consummation of the Debt Financing of the type described under the Debt Commitment Letter as of the date hereof (the "Financing"), including using reasonable best efforts to:

(i) participate (and using reasonable best efforts to cause appropriate members of senior management of the Company to participate during normal business hours) in a reasonable number of meetings, presentations, road shows, due diligence sessions, sessions with rating agencies and drafting sessions with financing sources (including the Debt Financing Parties) and actual and prospective underwriters, lenders and investors in the Financing at mutually agreed times and places;

(ii) assist with the timely preparation of materials for rating agency presentations, bank syndication materials and bank information memoranda for any portion of the Debt Financing (and furnishing customary authorization letters in connection therewith (containing customary representations, including with respect to the presence or absence of material non-public information about the Business and regarding the accuracy of the information provided by, or with respect to, the Business), executed on behalf of the Company);

(iii) assist with the preparation, and execution and delivery as of, and subject to the occurrence of, the Closing, of any credit agreements (or amendments thereto), guarantees, pledge and security documents that facilitate the creation, perfection or enforcement of liens securing the Debt Financing, control agreements, other definitive financing documents (including information necessary for the completion of schedules thereto), borrowing base certificates or other certificates or documents, in each case, as may be reasonably requested by Buyer;

(iv) provide at least three (3) Business Days prior to the Closing Date all documentation and other information regarding the Company and the Company Subsidiaries required by U.S. regulatory authorities under applicable "beneficial ownership", "know your customer" and anti-money laundering rules and regulations including the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 and the requirements of 31 C.F.R § 1010.230 to the extent requested in writing at least eight Business Days prior to the anticipated Closing Date;

(v) assist Buyer in satisfying the conditions precedent set forth in the Debt Commitment Letter as in effect as of the date hereof to the extent satisfaction thereof requires the cooperation of the Company and the Company Subsidiaries or their respective representatives and is within the control of the Company or any Company Subsidiary;

(vi) subject to customary confidentiality agreements, reasonably cooperate with financing sources' (including the Debt Financing Parties') customary due diligence efforts; and

(vii) obtain any necessary and customary accountants' consents and comfort letters as reasonably requested by Buyer or its financing sources (including the Debt Financing Parties) in connection with the Financing.

Notwithstanding anything to the contrary contained in this Agreement (including this Section 6.13): nothing in this Agreement (including this Section 6.13) shall require any such cooperation to the extent that it would (1) interfere unreasonably with the business or operations of the Company or the Company Subsidiaries or any of their respective representatives; (2) encumber any of the assets of the Company or

any of the Company Subsidiaries prior to Closing; (3) require the Company or any of the Company Subsidiaries to pay any commitment or other fee, make any other payment, reimburse any expenses or otherwise incur any liabilities or obligations or give any indemnities prior to the Closing; (4) require the Company, any of the Company Subsidiaries or any Persons who are officers or directors of the Company or the Company Subsidiaries to pass resolutions or consents to approve or authorize the execution of the Financing or enter into, execute or deliver any certificate, document, instrument or agreement (other than customary authorization letters described in clause (ii) above) or agree to any change or modification of any existing certificate, document, instrument or agreement; (5) require the Company and/or any Company Subsidiary to make any representation, warranty or certification that, in the good faith determination of the Company, is not true; (6) reasonably be expected to cause any director, officer or employee or stockholder of the Company or any of its Subsidiaries to incur any personal liability in their capacity as such; (7) conflict with the organizational documents of the Company or any Company Subsidiary or any applicable Law; (8) reasonably be expected to result in a material violation or breach of, or a default (with or without notice, lapse of time, or both) under, any contract to which the Company or any of the Company Subsidiaries is a party; (9) cause the Company, any Company Subsidiary or any of their respective representatives to provide access to or disclose information that the Company or any of the Company Subsidiaries reasonably determines would jeopardize any attorney-client privilege of the Company or any of the Company Subsidiaries; (10) cause any representation or warranty in this Agreement to be breached by the Seller, the Company or any of the Company Subsidiaries; (11) require the Company, the Company Subsidiaries or any of their respective representatives to prepare or provide any financial statements or information other than that required pursuant to Section 6.10(b), prepare any projections or pro forma financial statements, or provide any other information that is not available to the Company and prepared in the ordinary course of its reporting practice; or (12) require the Company, any Company Subsidiary or any of their respective representatives to deliver or cause to be delivered any opinion of counsel in connection with the Financing. Nothing contained in this Section 6.13 or otherwise shall require the Company or any of the Company Subsidiaries, prior to the Closing, to be an issuer or other obligor with respect to the Financing. Buyer acknowledges and agrees that (A) obtaining the Debt Financing or any other financing or the receipt of proceeds therefrom is not a condition to Closing and (B) any failure of the Company or any of its Subsidiaries (or applicable representatives thereof) to comply with its obligations pursuant to this Section 6.13 shall not be taken into account to determine whether any condition to Closing set forth in Section 7.02 has been satisfied.

(e) Buyer shall indemnify, defend and hold harmless the Company, the Company Subsidiaries and their respective representatives from and against any and all Losses suffered or incurred by any of them in connection with or as a result of the cooperation described in this Section 6.13 or otherwise in connection with or as a result of the Financing (including any alternative financing) (including any information utilized in connection therewith, other than any information relating to the Company or the Company Subsidiaries provided by or on behalf of the Company or the Company Subsidiaries expressly for use in connection therewith), in each case other than to the extent any of the foregoing arises from the gross negligence or willful misconduct of, or material breach of Section 6.13(d) of this Agreement by, the Company or any of the Company Subsidiaries or their respective representatives. Buyer shall, promptly upon request by the Company, reimburse the Company for all reasonable and documented out-of-pocket costs and expenses (including reasonable and documented attorneys' and accountants' fees) incurred by the Company or the Company Subsidiaries or any of their respective representatives in connection with or as a result of the cooperation described in this Section 6.13 or otherwise in connection with or as a result of the Financing (including any alternative financing) (including with respect to the financial information delivered under this Section 6.13 and any information utilized in connection therewith). The Company hereby consents to the use of its and the Company Subsidiaries' logos in connection with the Financing; provided, however, that such logos are used solely in a manner that is not intended, or reasonably likely, to harm or disparage the Company or any of the Company Subsidiaries or the reputation or goodwill of the Company or any of the Company Subsidiaries.

(f) The parties hereto acknowledge and agree that the provisions contained in this Section 6.13 represent the sole obligation of Company and its Subsidiaries with respect to cooperation in connection with the arrangement of any financing (including the Debt Financing) to be obtained by Buyer with respect to the transactions contemplated by this Agreement, and no other provision of this Agreement (including the Exhibits and Schedules hereto) shall be deemed to expand or modify such obligations. The Company and the Company Subsidiaries will be deemed to be in compliance with Section 6.13 unless and until (A) Buyer provides written notice (the "Non-Cooperation Notice") to the Company of any alleged failure to comply, or action or failure to act which could be believed to be a breach of Section 6.13, (B) Parent includes in such Non-Cooperation Notice reasonable detail regarding the cooperation required to cure such alleged failure (which shall not require the Company to provide any cooperation that it would not otherwise be required to provide under Section 6.13) and (C) the Company fails to use reasonable best efforts to take the actions specified on such Non-Cooperation Notice within five Business Days from receipt of such Non-Cooperation Notice.

(g) All non-public or otherwise confidential information regarding the Company or its Subsidiaries obtained by Buyer or its representatives pursuant to this Section 6.13 shall be kept confidential in accordance with the NDA.

Section 6.14 Payoff Letters. If any Indebtedness of the type set forth in clause (i) or (ii) of the definition thereof is outstanding on the Closing Date, Seller shall use reasonable best efforts to obtain a Payoff Letter in respect of such Indebtedness, and deliver it to Buyer on the Closing Date (it being understood and agreed by Buyer that Buyer shall provide all funds necessary to pay all Payoff Amounts with respect to which Payoff Letters are delivered to Buyer prior to the Closing Date).

Section 6.15 Pre-Closing Intellectual Property Assignments.

(a) Prior to the Closing, the Seller shall assign and transfer to the Company all Registered IP set forth on Schedule 3.14(a)(ii) of the Company Disclosure Schedule.

(b) Prior to the Closing, the Seller shall deliver to the Buyer a copy of the Intellectual Property Assignment Agreement containing a confirmatory assignment of all Intellectual Property (other than Patents, Trademarks and Internet Properties), including any Intellectual Property embodied in any Software, Technology or other materials, in each case, owned by any member of the Parent Group as of the date hereof and developed for, or on behalf of, the Company or any Company Subsidiary or used primarily by the Company or a Company Subsidiary in the operation of the Business, with full rights to all past, present and future claims and causes of action arising out of or related to infringement or misappropriation or other violation of any of the foregoing, duly executed by the Seller, Parent, and any other relevant Subsidiaries.

Section 6.16 Transition Services. Prior to the date of this Agreement, the Seller has provided the Buyer with a draft of a complete listing of any and all of the operational, financial, corporate, technical, software and support services that the Seller and its Affiliates provided to the Company and the Company Affiliates during the twelve (12) months prior to the date of this Agreement (such exhibit, the "Draft Services Exhibit"). The monthly costs (which shall be presented on an aggregate basis by the Seller's "Department" in the final Service Exhibit unless otherwise agreed by the parties) for the continuation of such services following the Closing, (a) in the case of Consistent Cost Services (as defined in the Transition Services Agreement) (if any), shall be based on the reasonably expected monthly cost to the Seller or its relevant Affiliate to provide the relevant service(s), plus (x) a fifteen (15%) percent markup for any services provided by the Indian Business or (y) a five (5%) percent markup for any other services), and (b) for Fluctuating Cost Services (as defined in the Transition Services Agreement) (if any), shall be based on the actual cost in any given month, plus (x) a fifteen (15%) percent markup for any services provided by the Indian Business or (y) a five (5%) percent markup for any other services) (the "Pricing Principles"). Within

forty-five (45) days after the date of this Agreement, the Buyer will have the ability to amend the Draft Services Exhibit to (a) delete the services that the Buyer will not be using under the Transition Services Agreement following the Closing (it being understood and agreed that the Seller shall adjust the monthly fees to reflect such deletion in accordance with the Pricing Principles) and/or (b) modify the periods for the services specified therein (it being understood and agreed that no such transition services shall be provided for a period longer than (x) nine (9) months for any services provided by the Indian Business and (y) twelve (12) months for any other services) after the Closing Date, unless otherwise agreed between the parties hereto). Such Draft Service Exhibit, as amended by the Buyer in accordance with this Section 6.16 and with such monthly fees as agreed between the Buyer and the Seller in accordance with the Pricing Principles, will be the final Service Exhibit for purposes of the Transition Services Agreement executed at the Closing.

ARTICLE 7.
CONDITIONS TO CLOSING

Section 7.01 Conditions Precedent to Obligations of Each Party. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) all waiting periods (and extensions thereof) under the HSR Act applicable to the transactions contemplated hereby shall have expired or been terminated;

(b) no Governmental Authority or Antitrust Authority of competent authority and jurisdiction shall have enacted, issued, promulgated, enforced or entered any order, writ, judgment, injunction, decree, stipulation or determination which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions, and there shall be no pending lawsuit, claim or legal action relating to the transactions contemplated by this Agreement which seeks to prohibit or restrict the transactions contemplated by this Agreement; and

(c) the consents, approvals or authorizations of the Governmental Authorities set forth on Schedule 6.02(a)(i) of the Company Disclosure Schedule shall have been obtained and shall be in full force and effect, and all waiting periods required thereunder shall have expired or been terminated.

Section 7.02 Conditions Precedent to Obligations of the Buyer. The obligations of the Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or the Buyer's waiver, at or prior to (and continuing at) the Closing, of each of the following conditions:

(a) no Effect shall have occurred since the date of this Agreement that has had a Material Adverse Effect that is continuing as of immediately prior to the Closing;

(b) the Fundamental Representations shall be true and correct in all material respects as of the date hereof and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date);

(c) each of the Seller and the Company shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date;

(d) the Buyer shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of the Seller, that each of the conditions set forth in Section 7.02(a), Section 7.02(b) and Section 7.02(c) have been satisfied;

(e) the Seller has delivered to Buyer the Transition Services Agreement, duly executed by the Seller and one or more of its Affiliates;

(f) the Seller has delivered to Buyer the Stockholder Agreement, duly executed by Parent;

(g) the Seller has delivered to Buyer the Non-Competition and Non-Solicitation Agreement, duly executed by the Seller and Parent;

(h) the X1 Sale shall have been consummated immediately prior to the Closing; and

(i) (i) the individual set forth on Schedule 7.02(i)(A) and the individual set forth Schedule 7.02(i)(B) (or, in each case, such Person's replacement in his or her position so long as such replacement has been approved by Buyer (such approval not to be unreasonably withheld, conditioned or delayed)), (ii) at least six (6) of eight (8) Required Employees (or each such Person's replacement in his or her position(s) so long as such replacement has been approved by Buyer (such approval not to be unreasonably withheld, conditioned or delayed)) and (iii) eighty (80%) percent of the sum of Business Employees and the other employees (in calculating such eighty (80%) percent, the numerator shall include any such employee's replacement in his or her position(s) and any individuals the services of whom are made available to the Company and its Affiliates following the Closing pursuant to Section 2.06(b), the Transition Services Agreement or similar agreement to which the Buyer (or its designated Affiliate(s)), the Company (or its designated Affiliate(s)) and the Seller (or its designated Affiliate(s)) are a party) of the Company or a Company Subsidiary employed as of the date hereof shall remain employed or engaged by the Company or a Company Subsidiary (or, at the Buyer's direction, a Buyer designee). For the avoidance of doubt, this condition shall be deemed satisfied as of the Closing with respect to the individual set forth on Schedule 7.02(i)(B) and clause (iv) if the services of such individuals are made available to the Company and its Affiliates following the Closing pursuant to Section 2.06(b), the Transition Services Agreement or similar agreement to which the Buyer (or its designated Affiliate(s)), the Company (or its designated Affiliate(s)) and the Seller (or its designated Affiliate(s)) are a party.

Section 7.03 Conditions Precedent to Obligations of the Seller. The obligations of the Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or the Seller's waiver, at or prior to (and continuing at) the Closing, of each of the following conditions:

(a) the representations and warranties of the Buyer contained in Article 5 (disregarding for purposes of this Section 7.03(a) any qualifications based on "material," "material adverse effect" or words of similar import contained in such representations and warranties) shall be true and correct in all material respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date);

(b) the Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date;

(c) the Seller shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of the Buyer, that each of the conditions set forth in Section 7.03(a) and Section 7.03(b) have been satisfied; and

(d) the Buyer shall have delivered to the Seller each of the Transaction Documents, duly executed by the Buyer.

Section 7.04 Frustration of Closing Conditions. Neither the Seller nor the Buyer may rely on the failure of any condition set forth in Section 7.01, Section 7.02 or Section 7.03 (except in each case for any failure of a condition that would cause the Closing to be a violation of Law), as the case may be, if such failure was caused by such party's failure to comply with any provision of this Agreement.

ARTICLE 8.
ADDITIONAL AGREEMENTS

Section 8.01 Employment and Benefit Arrangements.

(a) During the period commencing at the Closing and ending on the date which is twelve (12) months from the Closing, Buyer shall and shall cause the Company to provide each employee of the Company or the Company Subsidiaries who remains employed immediately after the Closing, excluding, for the avoidance of doubt, the Indian Employees ("Company Continuing Employee"), with (i) an annual base salary or an hourly wage rate, as applicable, and annual cash incentive compensation opportunity, in each case, that is not less than that provided to such Company Continuing Employee immediately prior to the Closing, (ii) eligibility to participate in a Buyer 401(k) Plan on terms not less favorable than those provided to such Company Continuing Employee under a Seller 401(k) Plan immediately prior to the Closing, and (iii) other compensation opportunities and employee benefits, that are, in the aggregate, substantially comparable to those provided to such Company Continuing Employee immediately prior to the Closing. With respect to any Company Continuing Employee whose employment is terminated without Cause by the Buyer (or its applicable Subsidiary) during such 12-month period, Buyer or its applicable Subsidiary shall provide cash severance benefits that are, in the aggregate, no less favorable than those severance benefits applicable to such Company Continuing Employee as of immediately prior to the Closing Date (determined under the severance practice described on Schedule 3.20 of the Company Disclosure Schedule).

(b) With respect to any employee benefit plan, program, arrangement, agreement, policy or commitment sponsored or maintained by the Buyer, in which any Company Continuing Employee participate on or after the Closing, the Buyer shall cause the Company and the Company Subsidiaries to: (i) waive all pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to such Company Continuing Employees, except to the extent such pre-existing conditions, exclusions or waiting periods applied under the similar plan in effect immediately prior to the Closing; (ii) provide each such Company Continuing Employee with credit for any co-payments and deductibles paid (to the same extent such credit was given for the year under the similar plan in effect immediately prior to the Closing) in satisfying any applicable deductible or out-of-pocket requirements; and (iii) recognize all continuous service of the Company Continuing Employee with the Company or the Company Subsidiaries, as applicable, for all purposes (including, without limitation, for purposes of eligibility to participate, vesting credit and entitlement to benefits, but excluding benefit accrual under a final average pay defined benefit pension plan) under any benefit plan, program, arrangement, agreement, policy or commitment in which the Company Continuing Employee may be eligible to participate after the Closing; provided that the foregoing shall not apply to the extent it would result in a duplication of benefits. This Section 8.01 shall survive the Closing, is intended to benefit the Company and the employees of the Company and the Company Subsidiaries, and shall be binding on all successors and assigns of the Buyer and the Company.

(c) Effective as of the Closing, Buyer shall establish participation by the Company Continuing Employees in a tax-qualified defined contribution plan (the "Buyer 401(k) Plan") for the benefit of each

Company Continuing Employee who, as of immediately prior to the Closing, was eligible to participate in a tax-qualified defined contribution plan maintained by Seller or its Affiliates (collectively, the "Seller 401(k) Plans"). As soon as practicable after the Closing Date, the Seller 401(k) Plans shall, to the extent permitted by Section 401(k)(10) of the Code, make distributions available to the applicable Company Continuing Employees, and the Buyer 401(k) Plan shall accept any such distribution (including loans) as a rollover contribution if so requested by any Company Continuing Employee.

(d) Promptly following the Closing Date, Seller shall pay to each Company Continuing Employee all amounts in respect of vacation days and other paid time off accrued prior to the Closing Date but not taken by such Company Continuing Employee, and Buyer shall have no commitment, Liability or obligation for any such amounts payable to any Continuing Company Employee, nor shall Buyer have any obligation to honor such accrued vacation days or paid time off after the Closing. After the Closing, that Company Continuing Employee's eligibility for vacation and other paid time off shall be determined under Buyer's vacation policy; provided that, consistent with Section 8.01(b), Buyer shall give each Company Continuing Employee full credit for such Company Continuing Employee's service with Seller for such purposes.

(e) Except as otherwise specifically provided in this Section 8.01, none of Buyer, its Affiliates, the Company or the Company Subsidiaries shall have any liability or obligation with respect to any employee benefit plan or arrangement of the Seller or any Affiliate other than the Employee Benefit Plans and the Seller and its Affiliates (other than the Company and the Company Subsidiaries) shall retain all such liabilities and obligations on and following the Closing Date. Buyer and its applicable Subsidiaries (including the Company and Company Subsidiaries) shall assume or retain, as applicable, all liabilities and obligations in respect of the Employee Benefit Plans.

(f) On or immediately prior to the Closing Date, the Buyer shall cause its applicable local Subsidiary in India to (i) issue offer letters of employment to the Indian Employees, (ii) inform the Indian Employees that, as of the Closing, their employment, for all purposes, shall be with the Buyer's applicable local Subsidiary in India and (iii) take all other actions required to effectuate the transfer of the Indian Employees to the Buyer's applicable local Subsidiary in India as of the Closing, pursuant to applicable Law and the terms set forth in this Agreement; provided that the Seller shall use commercially reasonable efforts to cooperate in providing assistance reasonably requested by the Buyer in order to facilitate the transfer of the Indian Employees. The Buyer and the Seller agree that the Indian Employees shall, to the maximum extent possible and consistent with applicable Law and the terms set forth in this Agreement, transfer the Indian Employees to the Buyer's applicable local Subsidiary in India without triggering the right of such employees to separation pay, or the occurrence of any other obligation or liability on behalf of the Buyer or the Seller that is not otherwise contemplated by this Agreement. The Buyer shall ensure that once the Indian Business has been transferred to the Buyer by the Seller, the Indian Employees shall be the employees of the Buyer's applicable local Subsidiary in India (as the employer) and there shall be no interruption or break in the Indian Employees' service, and the Seller shall take such actions necessary to ensure that the accumulations as of the Closing, if any, in respect of any employee benefit in respect of the India Employees that are capable of being transferred, are transferred by the Seller to the Buyer's account, including to the provident fund and leave encashment ("Buyer India Employee Benefits"). For purposes of making contributions to the Buyer India Employee Benefits and for determination of the India Employees' entitlement to the Buyer India Employee Benefits, in each case following the Closing, the Buyer shall take into consideration and provide credit to the Indian Employees for their period of service with the Seller and its Affiliates). During the period commencing at the Closing (which shall not be deemed to refer to the Deferred Closing Date) and ending on the date which is twelve (12) months from the Closing (which shall not be deemed to refer to the Deferred Closing Date), Buyer shall, or shall cause its applicable Subsidiary, to provide each Indian Employee continued employment with (i) an annual base salary or an hourly wage rate, as applicable, and annual cash incentive compensation opportunity, in each case, that is

not less than that provided to such Indian Employee immediately prior to the Closing (which shall not be deemed to refer to the Deferred Closing Date), (ii) other compensation opportunities and employee benefits, that are, in the aggregate, substantially comparable to those provided to such Indian Employee immediately prior to the Closing (which shall not be deemed to refer to the Deferred Closing Date), and (iii) any other compensation and benefits required by Law and reasonably necessary to effectuate the transfer of employment contemplated by this paragraph. Notwithstanding the foregoing, in the event of a Deferred Closing pursuant to Section 2.06(b) of this Agreement, the transfer process contemplated by this Section 8.01(f) shall be effectuated as of the Deferred Closing Date, it being understood that all other provisions and obligations of this paragraph shall remain applicable, with references to the Closing Date deemed to refer to the Deferred Closing Date. The Buyer shall comply with the applicable provisions of Section 25FF of the Indian Industrial Disputes Act, 1947 for Indian Employees who accept employment with the Buyer's applicable local Subsidiary in India and who qualify as "workmen" under the Indian Industrial Disputes Act, 1947.

(g) The Company and Buyer acknowledge and agree that all provisions contained in this Agreement are included for the sole benefit of the respective parties. The provisions of this Section 8.01 are not intended to, and shall not, (i) be treated as an establishment, amendment or other modification of any Employee Benefit Plan or any employee benefit plan of Buyer or any of its Affiliates, or shall limit the right of the Buyer or any of its Affiliates to amend, terminate or otherwise modify any Employee Benefit Plan or other benefit plan following the Closing, (ii) confer upon any Persons other than the Seller and the Buyer (including, without limitation, any Company Continuing Employee, former employee of the Company or any participant in any Employee Benefit Plan or any benefit plan of the Buyer or any of its Affiliates, or any dependent or beneficiary thereof), any rights or remedies, including to continued employment with the Buyer or any of its Affiliates or to any particular term of condition of employment, or (iii) constitute or create an employment agreement.

Section 8.02 Post-Closing Access.

(a) No later than ninety (90) days after the Closing, the Seller shall use commercially reasonable efforts to deliver, or cause to be delivered, all books, records, documents, files and correspondence of the Company Group in the possession or under the control of the Parent Group. After the Closing for a period of three (3) years, each party agrees to provide, or cause to be provided, to the other party and its representatives, as soon as reasonably practicable after written request therefor and at the requesting party's sole expense, reasonable access, during normal business hours, to the other parties' employees and to any books, records, documents, files and correspondence in the possession or under the control of such party, in each case if and to the extent relating to the Company or the Company Subsidiaries prior to the Closing and that the requesting party reasonably needs (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting party (including under applicable securities Laws) by any Governmental Authority having jurisdiction over the requesting party or (ii) for use in any other judicial, regulatory, administrative or other proceeding (other than in a dispute between the parties) or in order to satisfy Tax, audit, accounting, regulatory or other similar requirements; provided, however, that no party shall be required to provide access to or disclose information where such access or disclosure would violate any Law or agreement, or waive any attorney client or other similar privilege, and each party may redact information regarding itself or its Subsidiaries or otherwise not relating to the Company or the Company Subsidiaries prior to the Closing, and, in the event such provision of information could reasonably be expected to violate any Law or agreement or waive any attorney client or other similar privilege, the parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence.

(b) Except as otherwise provided herein, each party agrees to use its reasonable commercial efforts to retain the books, records, documents, instruments, accounts, correspondence, writings, evidences

of title and other papers relating to the Company and the Company Subsidiaries prior to the Closing in their respective possession or control for a commercially reasonable period of time, as set forth in their regular document retention policies, following the Closing Date or for such longer period as may be required by Law. Notwithstanding the foregoing, any party may destroy or otherwise dispose of any such materials not in accordance with its retention policy, provided that, prior to such destruction or disposal (i) such party shall provide no less than ninety (90) nor more than one-hundred twenty (120) days' prior written notice to the other party of any such proposed destruction or disposal (which notice shall specify in detail which of the materials is proposed to be so destroyed or disposed of), and (ii) if a recipient of such notice shall request in writing prior to the scheduled date for such destruction or disposal that any of the information proposed to be destroyed or disposed of be delivered to such recipient, such party proposing the destruction or disposal shall, as promptly as practicable, arrange for the delivery of such of the materials as was requested by the recipient (it being understood that all reasonable out of pocket costs associated with the delivery of the requested materials shall be paid by such recipient).

(c) In the case of a legal or other proceeding between one party or any of its Affiliates and a third party relating to the Company and the Company Subsidiaries, this Agreement or any of the Transaction Documents (including any matters subject to indemnification hereunder or thereunder) or the transactions contemplated hereby or thereby, each party shall use its commercially reasonable efforts to make available to the other party, upon written request, the former (to the extent practicable), current (to the extent practicable) and future officers, employees, other personnel and agents of such party and its subsidiaries as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available (other than materials covered by the attorney client privilege), to the extent that any such Person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any legal, administrative or other proceeding in which the requesting party may from time to time be involved. The requesting party shall bear all out of pocket costs and expenses in connection with the foregoing.

(d) Any information owned by a party that is provided to a requesting party pursuant to this Section 8.02 shall be deemed to remain the property of the providing party. Nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such information. No party shall have any liability to any other party in respect of this Section 8.02 in the event that any information exchanged or provided pursuant to this Section 8.02 is found to be inaccurate. No party shall have any liability to any other party if any information is destroyed or lost after reasonable commercial efforts by such party to comply with the provisions of this Section 8.02. Nothing in this Section 8.02 shall require any party to violate any agreement with any third parties regarding the confidentiality of confidential and proprietary information; provided, however, that in the event that any party is required under this Section 8.02 to disclose any such information, that party shall use commercially reasonable efforts to seek to obtain such third party's consent to the disclosure of such information and implement requisite procedures to enable the disclosure of such information.

Section 8.03 Further Assurances. Each of the Seller, the Company and the Buyer agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement. From time to time, as and when requested by any party hereto and at such requesting party's expense, any other party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such other party may reasonably deem necessary or desirable to evidence and effectuate the transactions contemplated by this Agreement. For twelve (12) months following the Closing and except as otherwise contemplated in this Agreement (including, by way of example, with respect to assets used to provide services under the Transition Services Agreement (or that constitute omitted services thereunder) or pursuant to Overhead and Shared Services, Shared Contracts and assets licensed to the

Company pursuant to Section 8.10) or any Transaction Documents, (i) to the extent that the Seller or any of its Affiliates becomes aware that it continues to possess, own or have any right, title or interest in any asset primarily relating to the Business, including any books or records (whether in physical or electronic form), such Person shall and shall cause its applicable Affiliate, without any further consideration, to take such actions (including to execute and deliver, or cause to be executed and delivered, such documents and instruments (including any assignments, bills of sale, assumption agreements, consents and other similar instruments)) as may be reasonably required to transfer such possession, ownership or right, title or interest of such asset and the related obligations and liabilities to Buyer or the appropriate Company entity; and (ii) if any payments due with respect to the Business are paid to any member of the Parent Group, the Seller shall, or shall cause the applicable member of the Parent Group to, promptly remit by wire or draft such payment to an account designated in writing by the Buyer and if any payments due with respect to Parent's business other than the Business are paid to the Buyer, the Company or their Affiliates, the Buyer shall transfer, or cause its Affiliates to, promptly remit by wire or draft such payment to an account designated in writing by the Seller.

Section 8.04 Public Announcements. No press release or other public announcement related to this Agreement or the transactions contemplated herein shall be issued or made without the joint approval (which consent shall not be unreasonably withheld, conditioned or delayed) of the Buyer and the Seller, unless required by Law or the rules and regulations of any stock exchange upon which the securities of the Seller or the Buyer, or their direct or indirect parent entity, are listed, or the requirements of any self-regulatory body, in which case the party required to make the release or announcement shall use commercially reasonable efforts to allow the other parties reasonable time to review and comment on such release or announcement in advance of such issuance.

Section 8.05 Tax Matters.

(a) Tax Returns.

(i) The Seller, at its sole cost and expense, shall prepare and file, or cause to be prepared, all (x) affiliated, consolidated, combined or unitary income Tax Returns for a group which any of the Company and the Company Subsidiaries is a member for all Pre-Closing Tax Periods (each, a "Pre-Closing Consolidated Return"), and (y) other income Tax Returns of the Company and the Company Subsidiaries, not described in clause (x) of this Section 8.05(a)(i), for all Pre-Closing Tax Periods (each, a "Pre-Closing Tax Return," and together with the Pre-Closing Consolidated Returns, the "Seller Prepared Returns"). The Seller shall prepare all Pre-Closing Tax Returns on a basis not inconsistent with procedures, practices and accounting methods of the applicable entity in existence as of the date hereof, unless otherwise required by applicable Law. For Pre-Closing Tax Returns required to be filed on or before the Closing Date, the Seller shall (1) provide to Buyer copies of any such Pre-Closing Tax Returns at least fifteen (15) days before filing any such Tax Return (or, if any such Tax Return is due within fifteen (15) days following the date of this Agreement, reasonably in advance of filing to allow the Buyer sufficient time to review such Tax Return, other than Pre-Closing Tax Returns for the fiscal year ending December 31, 2020, which shall be provided as soon as reasonably practicable), but no later than fifteen (15) days before filing any such Tax Return) and (2) consider in good faith any reasonable comment that the Buyer submits to the Seller five (5) days prior to the due date of any such Tax Return. For Pre-Closing Tax Returns required to be filed after the Closing Date, the Seller shall provide to the Buyer copies of all such Pre-Closing Tax Returns at least fifteen (15) days before filing any such Tax Return. For Pre-Closing Tax Returns required to be filed after the Closing Date, the Seller shall consider in good faith any reasonable comment that the Buyer submits to the Seller five (5) days prior to the due date of such Tax Return. The Seller shall incorporate in any Pre-Closing Tax Return any reasonable comments that the Buyer submits to the Seller five (5) days prior to the due date of such

Tax Return that are not inconsistent with procedures, practices and accounting methods of the applicable entity in existence as of the date hereof (unless any such procedure, practice or accounting method, as applicable, is inconsistent with applicable Law). The Buyer shall cause the Company or applicable Company Subsidiaries to timely file, any Pre-Closing Tax Return required to be filed after the Closing Date and prepared by the Seller in accordance with this Section 8.05(a), provided, however, that the Seller shall pay to the Buyer any Taxes shown as due on such Pre-Closing Tax Return at least two (2) days prior to the due date (taking into account any extensions) for such Tax Return to enable the Buyer to pay such Taxes commensurate with the filing of such Tax Return. The Seller shall file, or caused to be filed, all Pre-Closing Consolidated Returns and pay all Taxes due with such returns.

(ii) The Buyer shall cause the Company and the Company Subsidiaries to prepare and timely file all Tax Returns, other than Seller Prepared Returns, of the Company and the Company Subsidiaries with a due date (taking into account any extensions properly obtained) after the Closing Date that relate to a Pre-Closing Tax Period (the "Buyer Prepared Returns"). The Buyer Prepared Returns shall be prepared on a basis consistent with procedures, practices and accounting methods of the applicable entity in existence as of the date hereof, unless otherwise required by applicable Law. At least fifteen (15) days prior to the due date of any Buyer Prepared Return (or, if any such Buyer Prepared Return is due within fifteen (15) days of the Closing Date, reasonably in advance of filing to allow the Seller sufficient time to review such Buyer Prepared Return), the Buyer shall provide a draft of such Buyer Prepared Return to the Seller for the Seller's review and comment. The Buyer shall reflect on such Tax Return any reasonable comment that the Seller submits to Buyer five (5) days prior to the due date of such Buyer Prepared Return. The Seller shall pay, or cause to be paid, all Taxes shown as due on such Buyer Prepared Returns to the Buyer at least two (2) days prior to the due date (taking into account any extensions) for such Tax Return, other than any Taxes taken into account in Seller Transaction Expenses.

(iii) The Buyer shall cause the Company and the Company Subsidiaries to prepare and timely file all Tax Returns of the Company and the Company Subsidiaries for a Straddle Period (each, a "Straddle Period Tax Return"). The Straddle Tax Returns shall be prepared on a basis consistent with procedures, practices and accounting methods of the applicable entity in existence as of the date hereof, unless otherwise required by applicable Law. At least fifteen (15) days prior to the due date of any Straddle Period Tax Return (or, if any such Straddle Period Tax Return is due within fifteen (15) days of the Closing Date, reasonably in advance of filing to allow the Seller sufficient time to review such Straddle Period Tax Return), the Buyer shall provide a draft of such Straddle Period Tax Return to the Seller for the Seller's review and comment. The Buyer shall consider in good faith any reasonable comment that Seller submits to Buyer five (5) days prior to the due date of such Straddle Period Tax Return. The Seller shall pay, or cause to be paid, all Taxes shown as due on such Straddle Period Tax Return attributable to the portion of the Straddle Period ending on the Closing Date as determined in accordance with the principles set forth in Section 8.05(b) hereof to the Buyer at least two (2) days prior to the due date (taking into account any extensions) for such Tax Return, other than any Taxes taken into account in Seller Transaction Expenses.

(b) Straddle Period Apportionment. For all purposes under this Agreement, in the case of any Straddle Period, the parties agree to utilize the following conventions for determining the amount of Taxes (or any Tax refund or amount credited against any Tax) attributable to the portion of the Straddle Period ending on the Closing Date: (i) in the case of property Taxes and other similar Taxes imposed on a periodic basis, the amount attributable to the portion of the Straddle Period ending on the Closing Date shall equal the Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of calendar days in the portion of the period ending on the Closing Date and the denominator of which is the

number of calendar days in the entire Straddle Period; and (ii) in the case of all other Taxes (including, without limitation, income Taxes, sales Taxes, employment Taxes, withholding Taxes), the amount attributable to the portion of the Straddle Period ending on the Closing Date shall be determined as if the Company or the applicable Company Subsidiaries filed a separate Tax Return with respect to such Taxes for the portion of the Straddle Period ending on the Closing Date using a "closing of the books methodology." For purposes of the foregoing clause (ii) of this Section 8.05(b), any item determined on an annual or periodic basis (including, without limitation, amortization and depreciation deductions) shall be allocated to the portion of the Straddle Period ending on the Closing Date based on the relative number of days in such portion of the Straddle Period as compared to the number of days in the entire Straddle Period.

(c) Cooperation. The Buyer, the Company and the Seller shall (and shall cause their respective Affiliates to) (i) assist in the preparation and timely filing of any Tax Return of the Company or the Company Subsidiaries for a Pre-Closing Tax Period or Straddle Period; (ii) assist in any audit or other legal proceeding with respect to Taxes or Tax Returns of the Company or the Company Subsidiaries (whether or not a Tax Contest) for a Pre-Closing Tax Period or Straddle Period; (iii) make available any information, records, or other documents relating to any Taxes or Tax Returns of the Company or the Company Subsidiaries (including, without limitation, copies of Tax Returns and related work papers) for a Pre-Closing Tax Period or Straddle Period; and (iv) provide certificates or forms, and timely execute any Tax Return, that are necessary or appropriate to establish an exemption for (or reduction in) any Transfer Tax. The Buyer, the Seller, the Company and the Company Subsidiaries will retain, and will cause their Affiliates to retain, for the full period of any statute of limitations all documents and other information which may be relevant for the filing of any Tax Return or for any audit or other legal proceedings relating to Taxes with respect to the Company or the Company Subsidiaries.

(d) Tax Contests.

(i) Each party shall promptly notify the other in writing of any pending or threatened U.S. federal, state, local or foreign audit, claim, litigation or other proceeding involving any Taxes of the Company or the Company Subsidiaries for which the Seller is obligated to indemnify the Buyer under this Agreement (each, a "Tax Contest"); provided that any failure by the Buyer to provide such notification to the Seller shall not affect the Seller's liability hereunder unless the Seller is thereby materially prejudiced. The Seller (at its own expense) may elect to control any Tax Contest solely with respect to a Pre-Closing Tax Period by giving written notice to the Buyer within thirty (30) days after receipt from the Buyer, or delivery to the Buyer by the Seller, of the notice of such Tax Contest. The Buyer (at its own expense) shall have the right to participate in any such Tax Contest if the Seller provides the Buyer with written notice of its intent to control such Tax Contest (which shall also include an acknowledgement that the Taxes which are the subject of such Tax Contest will constitute Indemnified Taxes to the extent determined to be due and owing). The Buyer (at its own expense) shall control, and the Seller (at its own expense) shall have the right to participate in, any Tax Contest with respect to a Pre-Closing Tax Period that the Seller does not elect to control or is not permitted to control under this Section 8.05(d)(i) or that the Seller fails to diligently prosecute after electing to control such Tax Contest. Except as otherwise provided in this Section 8.05(d), the Buyer shall have the sole right to control any U.S. federal, state, local or foreign audit, claim, litigation or other proceeding involving any Taxes of the Company or the Company Subsidiaries.

(ii) Notwithstanding Section 8.05(d)(i), the Seller (at its own expense) shall control any Tax Contest with respect to any Taxes or Tax Returns of any affiliated, consolidated, combined or unitary group of which any of Parent, the Seller or any of their Affiliates is or was a member.

(iii) For purposes of this Section 8.05(d), the right to participate includes, without limitation, (w) the right to be reasonably apprised of the initiation and status of the Tax Contest, (x) the right to receive notice and copies of all correspondence received from any Governmental Authority, (y) the right to receive copies and reasonable opportunity to comment on any written materials to be provided to any Governmental Authority, including good faith consideration with respect to any such comments, and the right to attend any meetings or conference calls with respect to such Tax Contest and (z) the right to consent to any settlement or compromise of the Tax Contest (which consent shall not be unreasonably withheld, conditioned, or delayed); provided that, if the party whose consent to any such settlement or compromise is sought does not provide a response rejecting or consenting to such request within fifteen (15) calendar days of receipt of a written request of the other party, such consent shall be deemed to have been given.

(iv) This Section 8.05(d) shall exclusively govern with respect to the administration of any Tax Contest, and the provisions of Section 9.02(g) shall not apply; provided, however, in the event that any rights of the insurer under the R&W Policy conflict with this Section 8.05(d), the R&W Policy shall control for as long as applicable.

(e) Transfer Taxes. All federal, state, local, non-U.S. transfer, excise, sales, use, value added, registration, stamp, recording, property and similar Taxes or fees applicable to, imposed upon, or arising out of the transfer of the Sold Shares contemplated by this Agreement and all related interest and penalties (collectively, "Transfer Taxes") shall be paid 50% by the Seller and 50% by the Buyer. The Seller and the Buyer shall cooperate in timely preparing and filing all Tax Returns in respect of Transfer Taxes as may be required to comply with applicable Law. Each of the Seller and the Buyer shall use commercially reasonable efforts to avail itself of any available exemptions from any Transfer Taxes, and shall cooperate with the other in timely providing any information and documentation that may be necessary to obtain such exemptions.

(f) Tax Refunds. Seller shall be entitled to the amount of any Tax Refund of the Company and the Company Subsidiaries with respect to a Pre-Closing Tax Period (to the extent such Taxes were paid by the Company or the Company Subsidiaries prior to the Closing Date or were Indemnified Taxes paid by Seller to the Buyer after the Closing) which Tax Refund is actually received (or in the case of a credit in lieu of a refund, utilized) by the Buyer, the Company, or the Company Subsidiaries after the Closing Date, net of any cost to the Buyer and its Affiliates attributable to the obtaining and receipt of such Tax Refund, except to the extent such Tax Refund arises as the result of a carryback of a loss or other tax benefit incurred in a Tax period (or portion thereof) beginning after the Closing Date or such Tax Refund was included as an asset in the calculation of Net Working Capital, as finally determined pursuant to Section 2.04. The Buyer shall pay, or cause to be paid, to Seller any amount to which Seller is entitled pursuant to the prior sentence within two (2) Business Days of the receipt of the applicable Tax Refund by the Buyer, the Company or the Company Subsidiaries. To the extent such Tax Refund is subsequently disallowed or required to be returned to the applicable Governmental Authority, (i) the Buyer agrees to promptly notify the Seller in writing of such disallowance (or requirement to be returned), (ii) such disallowance (or requirement to be returned, as applicable) shall be treated as a Tax Contest under Section 8.05(d), and (iii) the Seller agrees promptly to repay the amount of such Tax Refund (together with any interest, penalties, or other additional amounts imposed by such Governmental Authority with respect thereto) to the Buyer. All payments made to the Seller under this Section 8.05(f) shall be treated by the parties as adjustments to the purchase price to the maximum extent permitted by applicable Law.

Section 8.06 Disclosure Generally. The Company Disclosure Schedule has been arranged, for purposes of convenience only, as separately titled Schedules corresponding to the Sections of Articles 3, 4 and 6 of this Agreement. Any information set forth in any Schedule or incorporated in any Section of the Company Disclosure Schedule shall be considered to have been set forth in each other Schedule and be

deemed to modify each other section of Articles 3, 4 and 6 to the extent such information is reasonably apparent on its face as having application to such other Schedule or Section notwithstanding the absence of a cross-reference contained therein or a specific reference to such Schedule in such Section. The information contained in the Company Disclosure Schedule is disclosed solely for the purposes of this Agreement, and no information contained therein shall be deemed to be an admission by any party hereto to any third party of any matter whatsoever, including of any violation of Law or breach of any agreement.

Section 8.07 Confidentiality.

(a) The Buyer, the Seller and the Company acknowledge and agree that the Mutual Nondisclosure Agreement by and between Parent, on behalf of itself and its Affiliates, and the Buyer, dated October 1, 2020 (the "NDA"), remains in full force and effect and, in addition, covenant and agree to keep confidential, in accordance with the provisions of the NDA, information provided to the Buyer pursuant to this Agreement. If this Agreement is, for any reason, terminated prior to the Closing, the NDA and the provisions of this Section 8.07 shall nonetheless continue in full force and effect.

(b) For seven (7) years following the Closing, the Seller shall not, and shall cause its Affiliates not to, directly or indirectly, use, disclose or divulge any confidential information of the Company, the Company Subsidiaries, including information relating to their respective businesses, assets, liabilities, and all confidential and proprietary data and information relating to the customers, financial statements, conditions or operations of the Company and the Company Subsidiaries, information of third parties that the Company, the Company Subsidiaries have agreed to keep confidential; provided that the foregoing restriction shall not apply to information (i) which becomes available to them on a non-confidential basis from a third-party source that is not under any obligations of confidentiality with respect to such information, (ii) which is in the public domain or enters into the public domain independently through no fault of the Seller, or (iii) which such Person is required to disclose by Law or under the rules and regulations of any stock exchange upon which the securities of the Seller, or its direct or indirect parent entity, is listed, or the requirements of any self-regulatory body, in which case the party required to make the release or announcement shall use commercially reasonable efforts to allow the other parties reasonable time to review and comment on such release or announcement in advance of such issuance. In the event the Seller or any of its Affiliates is required by Law to disclose such information, such Person shall promptly notify the Buyer and the Company in writing unless prohibited by Law, which notification shall include the nature of such legal requirement and the extent of the required disclosure, and shall cooperate with the Buyer, at the Buyer's expense, to preserve, to the extent possible, the confidentiality of such information.

(c) From and after the Closing and subject to the terms thereof, the Seller shall use commercially reasonable efforts to, if requested by the Buyer in writing, make the Buyer reasonably aware of the terms of, and enforce for the benefit of the Buyer and the Company, any confidentiality agreements entered into by the Seller or its Affiliates with any third party in anticipation of the potential sale of the Company by the Seller, to the extent applicable, with respect to confidential information of the Company as reasonably requested by the Buyer in writing; provided that the Buyer shall be solely responsible for all Losses, including out-of-pocket costs and expenses, related to such enforcement.

Section 8.08 Modification to the R&W Policy. The R&W Policy shall include a provision whereby the insurer expressly waives, and irrevocably agrees, except in the case of actual fraud, not to pursue, directly or indirectly, any subrogation rights against the Seller or any of its Affiliates, or any former stockholders, managers, members, directors, officers, employees, agents or Representatives of any of the foregoing with respect to any claim made by any insured thereunder and such Persons shall be express third-party beneficiaries of such provision. The Buyer shall use commercially reasonable efforts not to amend the R&W Policy in any manner adverse to the Seller or its Affiliates; provided that (x) the subrogation provisions therein may not be amended or waived in any manner that is adverse to the Seller

or any of its Affiliates without the Seller's prior written consent and any other amendments, modifications or supplements to, or waivers under the R&W Policy that are, or would reasonably be expected to be, materially adverse to the Seller's indemnification obligations set forth in Article 9 shall require the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything in this Section 8.08 to the contrary but in any event subject to the Buyer's obligations under Article 9, Buyer shall have the right, at its discretion, to control all decisions with respect to any claims or potential claims under the R&W Policy, including all decisions with respect to the handling and recovery with respect to such claims and potential claims.

Section 8.09 Certain Insurance Matters.

All insurance policies of the Seller or its subsidiaries (other than the Company and the Company Subsidiaries) in effect at any time on or prior to the Closing ("Seller Insurance Policies"), together with all rights, benefits and privileges thereunder, shall be retained by the Seller from and after the Closing, and the Buyer, the Company and Company Subsidiaries shall have no rights with respect thereto, except that, to the extent (and only to the extent) permitted by the Seller Insurance Policies and insurers, the Seller hereby authorizes the Company and the Company Subsidiaries to:

(a) assert claims (and Seller shall, at the Buyer's expense, use commercially reasonable efforts to assist the Buyer in asserting claims) for any Losses with respect to claims under Seller Insurance Policies with third-party insurers, which are "occurrence basis" policies which provide coverage with respect to the Company and the Company Subsidiaries ("Occurrence Basis Policies") arising out of insured incidents occurring from the date coverage thereunder first commenced until the Closing to the extent that the terms and conditions of any such Occurrence Basis Policies and any Contracts related thereto so allow; and

(b) continue to prosecute claims (and the Seller shall, at the Buyer's expense, use commercially reasonable efforts to assist the Buyer in connection therewith) for any Losses with respect to claims properly asserted with the insurance carrier prior to the Closing under such Seller Insurance Policies with third-party insurers, which are "claims made basis" policies and which provide coverage with respect to the Company and the Company Subsidiaries ("Claims Made Policies") arising out of insured incidents occurring from the date coverage thereunder first commenced until the Closing to the extent that the terms and conditions of any such Claims Made Policies and any Contracts related thereto so allow;

provided, that, in the case of each of clauses (a) and (b) above: (i) the Buyer shall bear and shall promptly repay or reimburse the Seller for all reasonable out-of-pocket costs incurred by any member of the Parent Group associated with any claims made by any member of the Company Group, including any expenses, costs of filing a claim, arbitration costs, deductibles resulting from or allocable to any such claim made by any member of the Company Group and such claims will be subject to (and recovery thereon will be reduced by the amount of) any applicable deductibles, premium amounts paid, retentions, self-insurance provisions or any payment or reimbursement obligations of the Seller or its Affiliates in respect thereof; (ii) such claims will be subject to exhaustion of aggregate limits; and (iii) any recoveries with respect to the matters set forth on Schedule 8.10 of the Company Disclosure Schedule (the "Seller Retained Insurance Claims") shall be solely and exclusively retained by the Seller (and the Buyer shall, at the Seller's expense, use commercially reasonable efforts to cooperate and assist the Seller in recovering under such policies with respect to, such claims). Notwithstanding anything to the contrary, in the event that the Parent Group and the Company Group have competing claims under an Occurrence Basis Policy or Claims Made Policy and there are insufficient coverage limits remaining under such policy, then Parent Group shall have first right of access to the remaining insurance limits. Promptly following receipt thereof, the Seller shall deliver to the Buyer all proceeds received under the Seller Insurance Policies with respect to such claims (excluding the Seller Retained Insurance Claims) made in respect of the Company or the Company Subsidiaries pursuant to this provision and the Buyer shall deliver to the Seller all proceeds received under the Seller

Insurance Policies with respect to the Seller Retained Insurance Claims. Except to the extent set forth herein, Buyer will be solely responsible for acquiring and placing insurance policies to provide coverage for the Company and the Company Subsidiaries from and after the Closing. No covenant or agreement by any party hereto to indemnify any other party hereto shall release, or be deemed to release, any insurer with respect to any claim made under any Seller Insurance Policy, nor shall the inclusion of this provision be deemed to limit in any way the indemnification obligations of the parties under this Agreement. Notwithstanding the foregoing, the term Seller Insurance Policies shall not include any insurance policies used to fund or otherwise provide benefits under any Employee Benefit Plan.

Section 8.10 Intellectual Property License.

(a) License to Buyer. Effective as of the Closing, and subject to the provisions hereof, the Parent Group ("Seller Licensors") hereby grant, and agree to grant, to Buyer and its Subsidiaries ("Buyer Licensees") a worldwide, irrevocable, perpetual, non-exclusive, fully paid-up, non-transferable (except as set forth in Section 8.10(d)), sublicensable (subject to Section 8.10(c)) license under the Seller Licensed IP, to use, reproduce, distribute, disclose, make, improve, display and perform (publicly and otherwise, subject to any applicable confidentiality restrictions), create derivative works of, and otherwise exploit in any manner to operate the Business in any field.

(b) License to Seller. Effective as of the Closing and subject to the provisions hereof Buyer and its Subsidiaries ("Buyer Licensors") hereby grant, and agree to grant, to the Parent Group ("Seller Licensees") a worldwide, irrevocable, perpetual, non-exclusive, fully paid-up, non-transferable (except as set forth in Section 8.10(d)), sublicensable (subject to Section 8.10(c)) license under the Company IP (excluding any Registered IP) in existence as of the Closing Date, to use, reproduce, distribute, disclose, make, improve, display and perform (publicly and otherwise, subject to any applicable confidentiality restrictions), create derivative works of, and otherwise exploit in any manner to operate the retained businesses and operations of Parent Group, other than the Business, in any field.

(c) Sublicensing. Each Licensee Party may sublicense the licenses granted to it by the Licensor Party pursuant to this Section 8.10 freely to a third party in connection with the operation of the Licensee Party's business in the ordinary course; provided that each Licensee Party shall treat any material Trade Secrets or confidential information that embodies, or is, the Licensor Party's confidential information or Trade Secrets with the same degree of care, that Licensee Party treats its own like confidential information and Trade Secrets, but in no event with less than reasonable care, and Licensee Party shall not disclose such Trade Secrets or confidential information licensed to it hereunder to a third party, except in connection with the disclosure of such Licensee Party's own confidential information or Trade Secrets of at least comparable importance and value and on the same terms.

(d) Transfer of Licenses. Neither Licensee Party may assign or transfer the licenses granted to it pursuant to this Section 8.10 directly or indirectly, in whole or in part, whether by operation of law or otherwise, without the other Party's prior written consent (which consent shall not be unreasonably conditioned, delayed or withheld). Notwithstanding the foregoing, (i) a Licensee Party may assign such licenses to a third party, or permit a third party to assume such license, in connection with acquisition of such Licensee Party (whether by stock or asset sale or merger or otherwise) or the sale of substantially all of the assets of Licensee Party to which this Agreement relates, to such third party, and (ii) such licenses may, in whole or in part, be assigned or transferred to, or assumed by, an Affiliate of Licensee Party. Any assignment in violation of this Section 8.10 shall be null and void.

(e) License Limitations.

(i) Except as expressly set forth otherwise in this Agreement (A) all rights and licenses granted from one Party to the other hereunder are granted "AS IS" and without any representation or warranty of any kind, (B) no representations or warranties whatsoever, whether express, implied or statutory, including warranties of merchantability, fitness for a particular purpose, title, custom, trade, non-infringement, non-violation or non-misappropriation of third-party Intellectual Property, are made or given by or on behalf of a Party, and (C) all such representations and warranties, whether arising by operation of Law or otherwise, are hereby expressly excluded.

(ii) Except as expressly set forth otherwise in this Agreement, each Party reserves all rights and licenses to its Intellectual Property, and no other licenses are granted under this Agreement, including this Section 8.10, by implication, estoppel or otherwise.

(iii) Each Party acknowledges and agrees that, upon and following the Closing, the licenses granted by it as the Licensor Party, are non-terminable and irrevocable, and that the Licensor Party's sole remedy after the Closing for breach by the Licensee Party will be for such Licensor Party to bring a claim to recover damages and to seek appropriate equitable relief but not termination of the licenses granted by the Licensor Party.

(f) Rights in Bankruptcy. All rights and licenses granted to a Party as licensee hereunder, are, for purposes of section 365(n) of the United States Bankruptcy Code (the "Bankruptcy Code"), licenses of intellectual property within the scope of section 101 of the Bankruptcy Code. The licensor acknowledges that the licensee, as a licensee of such rights and licenses hereunder, will retain and may fully exercise all of its rights and elections under the Bankruptcy Code. Each Party irrevocably waives all arguments and defenses arising under 11 U.S.C. § 365(c)(1) or successor provisions to the effect that applicable Law excuses such Party from accepting performance from or rendering performance to an entity other than the debtor or debtor-in-possession as a basis for opposing assumption of this Agreement in a case under Chapter 11 of the Bankruptcy Code to the extent that such consent is required under 11 U.S.C. § 365(c)(1) or any successor statute.

ARTICLE 9.
INDEMNIFICATION MATTERS

Section 9.01 Survival Period. Other than for purposes of the R&W Policy and with respect to the Fundamental Representations, the representations and warranties of the Company and the Seller set forth in this Agreement and in any certificates delivered at the Closing in connection with this Agreement shall survive the Closing and terminate and expire on the date that is twelve (12) months after the Closing Date (the "General Survival Date") and shall thereafter be of no further force or effect. The Fundamental Representations set forth in this Agreement and in any certificates delivered at the Closing in connection with this Agreement shall survive the Closing and terminate and expire on the date that is sixty (60) days after the expiration of the statute of limitations applicable to the subject matter thereto and shall thereafter be of no further force or effect. The covenants and agreements in this Agreement that contemplate performance prior to the Closing shall survive the Closing and terminate and expire on the General Expiration Date and shall thereafter be of no further force or effect. The covenants and agreements contained in this Agreement that are to be performed at or after the Closing shall survive the Closing until fully performed in accordance with their respective terms. The indemnification obligations set forth on Schedule 9.02(a)(v) of the Company Disclosure Schedule shall survive the Closing and terminate and expire on the date that is six (6) years after the Closing Date. Solely for purposes of claims under the R&W Policy, the representations and warranties of the Company and the Seller set forth in this Agreement shall survive for the duration of the R&W Policy. Each period referenced in this Section 9.01 shall be referred to herein as a "Survival Period" and shall be subject to Section 9.02(e).

Section 9.02 Indemnification.

(a) Subject to the provisions of this Section 9.02 and Section 9.03, after the Closing, the Seller shall, without duplication, indemnify the Buyer and its Affiliates (including the Company and the Company Subsidiaries), directors, officers, employees, successors and assigns (collectively, the "Buyer Indemnified Parties") from and against any Loss to the extent resulting or arising from:

(i) any breach of any representation or warranty with respect to the Company or the Seller contained in Article 3 or Article 4 of this Agreement or in any certificate delivered at the Closing in connection with this Agreement;

(ii) any breach or non-performance of any covenant or agreement of the Company or the Seller set forth herein;

(iii) any Excluded Liability (other than any amounts that are required to be borne by the Buyer under this Agreement);

(iv) any items set forth on Schedule 9.02(a)(iv) of the Company Disclosure Schedule;

(v) any items set forth on Schedule 9.02(a)(v) of the Company Disclosure Schedule;

(vi) any items set forth on Schedule 9.02(a)(vi) of the Company Disclosure Schedule; and

(vii) any Indemnified Taxes.

(b) Subject to the provisions of this Section 9.02 and Section 9.03, after the Closing, the Buyer and its subsidiaries (including the Company and the Company Subsidiaries) (the "Buyer Indemnifying Parties") shall, without duplication, indemnify the Seller and its Affiliates, directors, officers, employees, successors and assigns (collectively, the "Seller Indemnified Parties") from and against any Loss to the extent resulting or arising from:

(i) any breach by the Buyer of any Fundamental Representations made by the Buyer in Article 5 of this Agreement or any certificate delivered to the Seller or the Company in connection herewith;

(ii) any breach or non-performance by the Buyer of its covenants or agreements set forth herein; and

(iii) any Assumed Liability (other than any Indemnified Taxes or other amounts that are required to be borne by the Seller under this Agreement).

(c) Notwithstanding anything to the contrary contained in this Agreement, the Seller's and the Buyer Indemnifying Parties' indemnification obligations under this Article 9 shall be subject to the following limitations:

(i) the Seller shall have no liability for claims made under Section 9.02(a)(i) (other than with respect to any claims for actual fraud or for breaches of the Fundamental Representations) until the aggregate amount of Losses with respect to such claims exceeds $2,500,000 (the "Deductible"), in which event the Buyer Indemnified Parties shall be indemnified only for such Losses in excess of the Deductible;

(ii) the Seller's aggregate liability for all Claims pursuant to Section 9.02(a)(i) (other than with respect to any claims for actual fraud or for breaches of the Fundamental Representations) shall not exceed $2,500,000; the Seller's aggregate liability for all Claims pursuant to Section 9.02(a)(vi) shall not exceed $7,000,000; and the Seller's aggregate liability for all claims (other than with respect to claims for actual fraud or Excluded Liabilities) pursuant to Section 9.02 (if added to all other amounts paid as indemnification payments by the Seller under Section 9.02(a)(i)) shall not exceed the Purchase Price;

(iii) the Buyer's aggregate liability for all claims (other than with respect to claims for actual fraud or Assumed Liabilities) pursuant to Section 9.02(b) shall not exceed the Purchase Price; and

(iv) notwithstanding anything to the contrary in this Agreement, nothing in this Article 9 shall limit the liability of any party for actual fraud.

(d) The representations, warranties, covenants and obligations of the Company and the Seller, and the rights and remedies that may be exercised by the Buyer Indemnified Parties, shall not be limited or otherwise affected by or as a result of any information furnished to, or any investigation made by or knowledge of, any of the Buyer Indemnified Parties or any of their representatives.

(e) No Person shall be liable for any claim for indemnification under Section 9.02 or Section 9.02(b) unless written notice specifying in reasonable detail the nature of the claim for indemnification is delivered by the Person seeking indemnification to the Person from whom indemnification is sought prior to the expiration of the applicable Survival Period, in which case the representation, warranty, covenant or agreement which is the subject of such claim shall survive, to the extent of such claim only, until such claim is resolved, whether or not the amount of the Losses resulting from such breach has been finally determined at the time the notice is given.

(f) Notwithstanding anything in this Agreement to the contrary, subject to the time and other economic limitations set forth herein, in pursuing the collection of any Losses against the Seller arising under Section 9.02(a)(i), after the retention amount under the R&W Policy has been satisfied, the Buyer Indemnified Parties shall (other than with respect to any claim that is not covered pursuant to the R&W Policy) first seek recovery for such Losses under the R&W Policy, including by making a claim therefor under the R&W Policy and using commercially reasonable efforts to recover such Losses under the R&W Policy. The R&W Policy will be the Buyer's sole source of recovery for breaches of representations and warranties in excess of the Deductible (other than in respect of Fundamental Representations or in the case of actual fraud) and the Buyer's first source of recovery (subject to the Deductible, which will be the responsibility of the Seller) for breaches of Fundamental Representations and any Indemnified Taxes. For the avoidance of doubt, nothing in this Section 9.02(f) will limit the right of a Buyer Indemnified Party to submit a Claim Notice (as defined below) hereunder in satisfaction of any Survival Period or other similar obligation hereunder.

(g) Promptly after the assertion by any third party of any claim (a "Third Party Claim") against any Person entitled to indemnification under this Section 9.02 (the "Indemnitee") that results or may result in the incurrence by such Indemnitee of any Loss for which such Indemnitee would be entitled to indemnification pursuant to this Agreement, such Indemnitee shall promptly provide notice of such Third Party Claim (a "Claim Notice") to the parties from whom such indemnification could be sought (the "Indemnitors"). The failure to give such prompt written notice shall not, however, relieve the Indemnitor of its obligations under this Article 9, except and only to the extent that the Indemnitor is actually and materially prejudiced by reason of such failure; provided that such Claim Notice has been delivered within the applicable Survival Period for such claim set forth in Section 9.01. The Indemnitor shall have the right

to participate in or, by giving written notice to the Indemnitee within thirty (30) days after receipt from the Indemnitee of such Claim Notice (which shall also include an acknowledgement that the Indemnitor is obligated to indemnify the Indemnitee against any Losses that may result from such Third Party Claim), to assume and control the defense of any Third Party Claim at the Indemnitor's expense and by the Indemnitor's own counsel (subject to the Indemnitee's right to reasonably object to the selection of such counsel promptly following notice of such selection), and the Indemnitee shall cooperate in good faith in such defense, including providing the Indemnitor with reasonable access to and use of relevant corporate records and making available its officers and employees for depositions, pre-trial discovery and as witnesses at trial, if required (in each case, subject to the Indemnitee's right to assert any good faith objection on the basis of legal privilege or contractual confidentiality obligations based upon advice of legal counsel, provided, that to the extent practicable and in accordance with such Contract or Law, and in a manner that does not result of the waiver of any such privilege, such Party shall make reasonable and appropriate substitute disclosure arrangements, or endeavor to seek a waiver of such contractual restrictions, under circumstances in which these restrictions apply). In the event that the Indemnitor assumes the defense of any Third Party Claim (and continues to do so), subject to Section 9.02(i), the Indemnitee shall have the right, at its own expense, to participate in the defense of such Third Party Claim with counsel selected by it, subject to the Indemnitor's right to control the defense thereof. Notwithstanding the foregoing, the Indemnitor will not have the right to assume the defense of any Third Party Claim or will cease to defend against such claim at the election of the Indemnitee, if: (i) injunctive or other equitable relief or relief for other than money damages that the Indemnitee reasonably determines, after conferring with its outside counsel, cannot be separated from any related claim for money damages, is sought and could reasonably be expected to be imposed against the Indemnitee, (ii) in the event the Third Party Claim were to be unfavorably decided, it would be reasonably likely to lead to Losses or other material obligation on the part of the Indemnitee, in each case, for which the Indemnitee is not entitled to indemnification hereunder, (iii) at the time of the assumption or thereafter, a court of competent jurisdiction rules that the Indemnitor has failed to reasonably conduct the investigation, defense or prosecution of a claim, (iv) the Third Party Claim is asserted by or on behalf of a Person that is (A) a current executive officer of Parent or the Seller (if the Buyer is the Indemnitor) or the Buyer (if the Seller is the Indemnitor), or (B) a top twenty (20) client, supplier or service provider (as measured by payments from or to such client, supplier or service provider in the past twelve (12) months prior to the date of the Claim Notice) (a "Material Business Relationship") of Parent or the Seller (if the Buyer is the Indemnitor) or the Buyer (if the Seller is the Indemnitor), (v) the Third Party Claim relates to or arises in connection with any criminal or quasi-criminal proceeding, or (vi) the Indemnitor is also a party or has an interest in such Third Party Claim, which interest, on the advice of the Indemnitee's outside counsel, creates a conflict between Indemnitor's defense and Indemnitee's defense under applicable principles of legal ethics that would reasonably be expected to be materially adverse to the Indemnitee's defense.

(h) The party controlling the defense of any Third Party Claim (the "Controlling Party") shall use commercially reasonable efforts to (i) permit the other party (the "Non-Controlling Party") to participate, at its own expense, in the defense of such Third Party Claim, (ii) conduct the investigation, defense and prosecution of such Third Party Claim with reasonable diligence and keep the Non-Controlling Party reasonably informed of material developments in such Third Party Claim at all stages thereof, (iii) promptly submit to the Non-Controlling Party copies of all pleadings, responsive pleadings, motions and other similar legal documents and papers received or filed in connection therewith (in each case, subject to the Indemnitee's right to assert any good faith objection on the basis of legal privilege or contractual confidentiality obligations based upon advice of legal counsel, provided that to the extent practicable and in accordance with such Contract or Law, and in a manner that does not result of the waiver of any such privilege, such Party shall make reasonable and appropriate substitute disclosure arrangements, or endeavor to seek a waiver of such contractual restrictions, under circumstances in which these restrictions apply), and (iv) permit the Non-Controlling Party and its counsel to confer on the conduct of the defense thereof and (v) permit the Non-Controlling Party and its counsel an opportunity to review all filings to be submitted prior to their submission and consider in good faith any comments from the Non-Controlling Party and its counsel thereto.

(i) Neither the Indemnitor nor the Indemnitee shall enter into settlement of, or consent to the entry of any judgment with respect to, any Third Party Claim without the prior written consent of the other (which consent shall not be unreasonably withheld, conditioned or delayed) unless there is no obligation, directly or indirectly, on the part of such other party to contribute to any portion of the payment for any of the Losses, such other party receives a general and unconditional release with respect to the claim (in form, substance and scope reasonably acceptable to such other party), there is no finding or admission of any violation of Laws or Governmental Authority by, or effect on any other claim that may be made against such other party, as a result of such consent or settlement, no injunctive or other equitable relief would be imposed against the Indemnitee and, in the reasonable judgment of such other party, the relief granted in connection therewith could not reasonably be expected to have a material adverse effect on such other party or its reputation or prospects. For the avoidance of doubt, if the party whose consent to any such settlement is sought does not provide a response rejecting or consenting to such request within fifteen (15) calendar days, such consent shall be deemed to have been given. Notwithstanding the foregoing and subject to the time, economic and other limitations set forth in this Article 9, in the event that any rights of the insurer under the R&W Policy conflicts with this Section 9.02(i), the R&W Policy shall control for so long as applicable.

(j) With respect to each indemnification obligation contained in this Agreement, all Losses shall be increased to take into account any Tax costs actually incurred by the Indemnitee or its Affiliates in connection with the incurrence of the receipt of the indemnity payment (to the extent such Taxes are (x) not already covered in the computation of the Losses and (y) payable in respect of the taxable year in which such Losses are incurred or either of the two (2) succeeding taxable years) but shall be reduced by any Tax benefits actually realized by the Indemnitee or its Affiliates in connection with the incurrence of such Losses in the taxable year in which such Losses are incurred or either of the two (2) succeeding taxable years. The amount of any Loss incurred by the Buyer Indemnified Parties hereunder (and the amount of any Loss subject to indemnification hereunder) shall be reduced by any insurance proceeds (including, the R&W Policy) or third party payments actually received by the Buyer Indemnified Parties on account of such Loss, less any Losses (including increased premiums) to the extent incurred in connection with pursuing the collection of such recovery or the receipt of such recovery. In the event that an insurance or third party recovery is made by the Buyer Indemnified Parties or their Affiliates with respect to any Loss for which any such Person has been indemnified hereunder, then a refund equal to the aggregate amount of the recovery (up to the amount which was indemnified), less any Losses (including increased premiums) to the extent incurred in connection with pursuing the collection of such recovery, shall be made reasonably promptly to the Seller.

(k) All indemnification payments made hereunder shall be treated by all parties as adjustments to the Purchase Price to the maximum extent permitted by applicable Law.

(l) No Indemnitee shall be entitled to indemnification for the same Loss twice under different provisions of this Agreement (it being understood and agreed, however, that an Indemnitee shall have the right to assert claims for indemnification under or in respect of more than one provision of this Agreement in respect of any single fact or circumstance).

(m) Except in the case of the representations and warranties set forth in Section 3.12(a), for purposes of this Article 9, both the existence of any inaccuracy in or breach of any representation or warranty contained in this Agreement, and the amount of any Losses resulting from such inaccuracy or breach, shall be determined without giving effect to any “materiality,” “Material Adverse Effect” or other similar qualifications contained in or otherwise applicable to such representation or warranty or any definition contained therein.

(n) In no event shall "Losses" be deemed to include any punitive damages except in respect of amounts paid to an unrelated third party in respect of a Third Party Claim.

(o) Notwithstanding anything herein to the contrary set forth in this Agreement, none of the limitations or exceptions set forth in this Article 9, including any Survival Periods with respect to the representations, warranties and covenants set forth herein, shall in any way limit or modify the ability of Buyer to make claims under or recover under the R&W Policy.

Section 9.03 Exclusive Remedy. Except for claims for equitable remedies and subject to Section 11.08 and without limiting the procedures covered by Section 2.04, from and after the Closing, the indemnification provided by (A) Section 9.02(a) shall be the sole and exclusive remedy for any Losses (including any liabilities or Losses from claims for breach of contract, warranty, tortious conduct (including negligence) or otherwise and whether predicated on common law, statute, strict liability or otherwise, but excluding claims involving actual fraud) that the Buyer Indemnified Parties may at any time suffer or incur, or become subject to, as a result of, or in connection with this Agreement, including with respect to any misrepresentation or inaccuracy in, or breach of, any representations or warranties or any breach or failure in performance of any covenants or agreements made by the Company or the Seller in this Agreement (but excluding the other Transaction Documents and the NDA) and (B) Section 9.02(b) shall be the sole and exclusive remedy for any Losses (including any liabilities or Losses from claims for breach of contract, warranty, tortious conduct (including negligence) or otherwise and whether predicated on common law, statute, strict liability or otherwise, but excluding claims involving actual fraud) that the Seller Indemnified Parties may at any time suffer or incur, or become subject to, as a result of, or in connection with this Agreement, including with respect to any misrepresentation or inaccuracy in, or breach of, any representations or warranties or any breach or failure in performance of any covenants or agreements made by the Buyer in this Agreement (but excluding the other Transaction Documents and the NDA).

ARTICLE 10.
TERMINATION

Section 10.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of the Seller and the Buyer;

(b) by the Buyer by written notice to the Seller if:

(i) the Buyer is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Seller or the Company pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article 7 and (A) with respect to any such breach that is capable of being cured, is not cured by Seller or the Company within thirty (30) days after notice thereof, or (B) such breach cannot be cured by the Seller or the Company by the Outside Date; or

(ii) any of the conditions set forth in Section 7.01 or Section 7.02 shall not have been fulfilled or duly waived by the Outside Date; provided that the right to terminate this Agreement under this Section 10.01(b)(ii) shall not be available to the Buyer if its failure to perform any material covenant or obligation under this Agreement has been the cause of, or has resulted in, the failure of the Closing to occur on or before the Outside Date;

(c) by the Seller by written notice to the Buyer if:

(i) the Seller is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Buyer pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article 7 and (A) with respect to any such breach that is capable of being cured, is not cured by the Buyer within thirty (30) days after notice thereof, or (B) such breach cannot be cured by the Buyer by the Outside Date; or

(ii) any of the conditions set forth in Section 7.01 or Section 7.03 shall not have been fulfilled or duly waived by the Outside Date; provided that the right to terminate this Agreement under this Section 10.01(c)(ii) shall not be available to the Seller if its failure to perform any material covenant or obligation under this Agreement has been the cause of, or has resulted in, the failure of the Closing to occur on or before the Outside Date;

(d) by the Buyer or the Seller in the event that:

(i) there shall be any Law in force that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited; or

(ii) any Governmental Authority or Antitrust Authority shall have issued an order, writ, judgment, injunction, decree, stipulation or determination restraining or enjoining the transactions contemplated by this Agreement, and such order, writ, judgment, injunction, decree, stipulation or determination shall have become final and non-appealable.

Section 10.02 Effect of Termination. In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

(a) as set forth in this Article 10, Section 8.07(a) and Article 11 hereof; and

(b) that nothing herein shall relieve the Buyer, the Seller or the Company from liability for any willful breach of any provision hereof.

ARTICLE 11.
MISCELLANEOUS

Section 11.01 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 11.01):

if to the Company (following the Closing) or to the Buyer, then to:

Blend Labs, Inc.
415 Kearny St.

San Francisco, CA 94108
Attention: Legal
Email: legal@blend.com

with copies to (which shall not constitute notice):

Latham & Watkins LLP
885 Third Avenue
140 Scott Drive
Menlo Park, CA 94025
Attention: Tad Freese
Mark Bekheit
Email: tad.freese@lw.com
mark.bekheit@lw.com

if to the Company (prior to the Closing), the Seller or to Parent, then to:

Mr. Cooper Group Inc.
Xome Holdings LLC
750 Hwy 121 Bypass, Suite 100
Lewisville, TX 75067
Attention: Eldridge Burns
Email: eldridge.burns@mrcooper.com

with copies to (which shall not constitute notice):

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attention: David E. Shapiro
Mark F. Veblen
Email: DEShapiro@wlrk.com
MFVeblen@wlrk.com

Section 11.02 Amendments and Waivers.

(a) Except as otherwise provided herein, any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by the Buyer and the Seller, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 11.03 Construction; Severability. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Person. The headings of the Sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law or regulation, but if any

provision of this Agreement is held to be prohibited by or invalid under applicable Law or regulation, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. Unless otherwise indicated, references in this Agreement to "$" or "dollars" are to U.S. dollars.

Section 11.04 Expenses. Except as otherwise provided herein, each party shall pay all of its own fees, costs and expenses (including, without limitation, fees, costs and expenses of legal counsel, investment bankers, brokers or other representatives and consultants and appraisal fees, costs and expenses) incurred in connection with the negotiation of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby. Unless otherwise indicated to the contrary herein by the context or use thereof: (a) the words, "hereby," "herewith," "herein," "hereto," "hereof" and words of similar import refer to this Agreement as a whole and not to any particular Section or paragraph hereof; (b) the words "include," "includes" or "including" shall be deemed to be followed by the words "without limitation"; (c) masculine gender shall also include the feminine and neutral genders, and vice versa; (d) words importing the singular shall also include the plural, and vice versa; (e) the word "or" shall be deemed to mean "and/or"; and (f) any capitalized terms used in such Exhibits or Schedules and not otherwise defined therein shall have the meaning set forth in this Agreement.

Section 11.05 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto; provided, further, that, (a) if the Closing occurs, the Buyer may assign its rights under this Agreement in connection with any Buyer Change of Control, and (b) the Buyer may, at its election, assign its rights under this Agreement to any direct or indirect Affiliate of the Buyer, but no such assignment of this Agreement or any of the rights or obligations hereunder pursuant to clause (a) or (b) above shall relieve the Buyer of any of its obligations under this Agreement.

Section 11.06 Governing Law. All issues and questions concerning the construction, validity, interpretation and enforceability of this Agreement and the exhibits and schedules hereto shall be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice of Law or conflict of Law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

Section 11.07 Jurisdiction. Except as otherwise expressly provided in this Agreement, any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought exclusively in the Delaware Court of Chancery (or, only if the Delaware Court of Chancery declines to accept jurisdiction over particular matter, the United States District Court for the District of Delaware or any other court of the State of Delaware), and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 11.01 shall be deemed effective service of process on such party.

Section 11.08 Specific Performance. Notwithstanding anything in this Agreement to the contrary (including Section 9.03), each of the parties hereto acknowledges that the rights of each party to consummate the transactions contemplated hereby are unique and recognize and affirm that in the event of

a breach of this Agreement by any party, money damages will be inadequate and the non-breaching party may have no adequate remedy at Law. Except as otherwise set forth in this Section 11.08, including the limitations set forth herein, the parties acknowledge and agree that, prior to the valid termination of this Agreement pursuant to Section 10.01, the Buyer, on the one hand, and the Seller, on the other hand, shall, in the event of any breach or threatened breach by the Seller, on the one hand, or the Buyer, on the other hand, of any of their respective covenants or agreements set forth in this Agreement, be entitled to equitable relief, including an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement, by the other, as applicable, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and agreements of the other under this Agreement. It is accordingly agreed that, with respect to any such breach or threatened breach, each party hereto (a) shall waive, in any action for equitable relief (including specific performance, injunctive relief and any other equitable remedy), the defense of adequate remedy at law, and (b) shall be entitled to equitable relief (including the compelling of specific performance of this Agreement, injunctive relief and any other equitable remedy) with no obligation to prove actual damages or post any bond in connection therewith, in any action or proceeding instituted in accordance with this Agreement. The Parties hereto have specifically bargained for the right to specific performance of the obligations hereunder.

Section 11.09 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 11.10 Prevailing Party. If any litigation or other court action, arbitration or similar adjudicatory proceeding is commenced by any party hereto to enforce its rights under this Agreement, in accordance with its terms, against any other party, all fees, costs and expenses, including, without limitation, reasonable and documented attorneys' fees and court costs, incurred by the prevailing party in such litigation, action, arbitration or proceeding shall be reimbursed by the losing party; provided that if a party to such litigation, action, arbitration or proceeding prevails in part, and loses in part, the court, arbitrator or other adjudicator presiding over such litigation, action, arbitration or proceeding shall award a reimbursement of the fees, costs and expenses incurred by such party on an equitable basis.

Section 11.11 Counterparts; Third Party Beneficiaries. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. Except as otherwise specifically set forth herein, no provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder. Notwithstanding the foregoing, the Releasees are intended third party beneficiaries of Section 6.11.

Section 11.12 Entire Agreement. This Agreement and the documents referred to herein contain the complete agreement between the parties hereto and supersede any other prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

Section 11.13 Parent's Undertaking. Notwithstanding anything to the contrary herein, Parent undertakes to cause the Seller to timely meet, and guarantees the performance of, all of the Seller's obligations herein and to the extent Seller does not timely meet any obligation herein (including any indemnification or payment obligations), Parent shall directly perform such obligation on behalf of the Seller. This guaranty shall be a guaranty of payment and performance and not of collection, and Parent hereby agrees that its obligation hereunder shall be primary and unconditional (and not as a surety), subject

in all respects to the terms and conditions of this Agreement. To the extent Parent is called upon to perform any such obligation on behalf of the Seller, Parent shall have all of the rights that the Seller would have had Seller performed such obligation directly.

Section 11.14 Debt Financing Sources. Notwithstanding anything in this Agreement to the contrary, each member of the Parent Group and the Company, on behalf of itself, and each of their respective Subsidiaries and controlled Affiliates hereby: (a) agrees that any Action, whether in law or in equity, whether in contract or in tort or otherwise, involving the Debt Financing Parties, arising out of or relating to, this Agreement, the Debt Financing or any of the agreements (including the Debt Commitment Letter) entered into in connection with the Debt Financing or any of the transactions contemplated hereby or thereby or the performance of any services thereunder shall be subject to the exclusive jurisdiction of any federal or state court in the Borough of Manhattan, New York, New York, so long as such forum is and remains available, and any appellate court thereof and each party hereto irrevocably submits itself and its property with respect to any such Action to the exclusive jurisdiction of such court, (b) agrees that any such Action shall be governed by the laws of the State of New York (without giving effect to any conflicts of law principles that would result in the application of the laws of another State), except as may otherwise be provided in the Debt Commitment Letter or other applicable definitive document relating to the Debt Financing, (c) agrees not to bring or support or permit any of its Subsidiaries or controlled Affiliates to bring or support any Action of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against any Debt Financing Party in any way arising out of or relating to, this Agreement, the Debt Financing, the Debt Commitment Letter or any document relating to the Debt Financing or any of the transactions contemplated hereby or thereby or the performance of any services thereunder in any forum other than any federal or state court in the Borough of Manhattan, New York, New York, (d) agrees that service of process upon any member of the Parent Group, the Company, or their respective Subsidiaries or controlled Affiliates in any such Action or proceeding shall be effective if notice is given in accordance with Section 11.01, (e) irrevocably waives, to the fullest extent that it may effectively do so, the defense of an inconvenient forum to the maintenance of such Action in any such court, (f) knowingly, intentionally and voluntarily waives to the fullest extent permitted by applicable law trial by jury in any such Action, including any Action brought against the Debt Financing Parties in any way arising out of or relating to, this Agreement, the Debt Financing, the Debt Commitment Letter or any document relating to the Debt Financing or any of the transactions contemplated hereby or thereby or the performance of any services thereunder, (g) agrees that (i) none of the members of the Parent Group, the Company or any of their respective Subsidiaries or controlled Affiliates (in each case, other than Buyer or its Subsidiaries) shall have any rights or claims against any Debt Financing Party in any way arising out of or relating to, this Agreement, the Debt Financing, the Debt Commitment Letter or any of the transactions contemplated hereby or thereby or the performance of any services thereunder, whether at law or in equity, in contract, in tort or otherwise and (ii) none of the Debt Financing Parties will have any liability (including by way of consequential, punitive or indirect damages of a tortious nature) to any member of the Parent Group, the Company or any of their respective Subsidiaries or controlled Affiliates or representatives (in each case, other than Buyer or its Subsidiaries) relating to or arising out of this Agreement, the Debt Financing, the Debt Commitment Letter or any of the transactions contemplated hereby or thereby or the performance of any services thereunder, whether in law or in equity, whether in contract or in tort or otherwise and (h) agrees that the Debt Financing Parties are express third party beneficiaries of, and may enforce, any of the provisions of this Section 11.14, and that such provisions and the definitions of "Debt Financing Entities" and "Debt Financing Parties" shall not be amended in any way adverse to the Debt Financing Parties without the prior written consent of the Debt Financing Parties) and (i) Buyer may assign its rights under this Agreement to any Debt Financing Entity as collateral security.

Section 11.15 Continued Representation; Attorney Client Privilege.

(a) The Buyer waives and shall not assert, and agrees to cause its Affiliates (including, following the Closing, the Company Group) to waive and not assert, any conflict of interest arising out of or relating to the representation after the Closing (the "Post-Closing Representation") of the Seller, any of its Affiliates or any equity holder, officer, employee, director or other Representative of the Seller or any of its Affiliates (any such Person, a "Designated Person") in any matter involving this Agreement, the Transaction Documents or any other agreements or transactions contemplated hereby or thereby, by any legal counsel ("Current Legal Counsel") currently representing the Seller or any of its Affiliates or any other Designated Person in connection with this Agreement, the Transaction Documents or any other agreements or transactions contemplated hereby or thereby, including Wachtell, Lipton, Rosen & Katz (any such representation, the "Current Representation").

(b) The Buyer waives and shall not assert, and agrees to cause its Affiliates (including, following the Closing, the Company Group) to waive and not assert, any attorney-client or other applicable legal privilege or protection with respect to any communication between Current Legal Counsel and any Designated Person occurring during the Current Representation or in connection with any Post-Closing Representation (including in respect of any claim for indemnification by any Buyer Indemnified Party), it being the intention of the parties hereto that all such rights to such attorney-client and other applicable legal privilege or protection and to control such attorney-client and other applicable legal privilege or protection shall be retained by the Seller and that the Seller and its Affiliates, and not the Buyer or its Affiliates (including, following the Closing, the Company Group) in connection with any such dispute or claim. From and after the Closing, none of the Buyer or any of its Affiliates (including, following the Closing, the Company Group) or any Person acting or purporting to act on their behalf shall seek to obtain such communications or to the files of the Current Representation, or to internal counsel relating to such engagement, by any process on the grounds that the privilege and protection attaching to such communications and files belongs to the Buyer or any of its Affiliates (including, following the Closing, the Company Group). For the avoidance of doubt, nothing in this Agreement shall be deemed to be a waiver of any applicable privileges or protections that can or may be asserted to prevent disclosure of any client communications to any third party in connection with a dispute between the Buyer or its Affiliates (including, following the Closing, the Company Group), on the one hand, and a third party (other than the Seller or its Affiliates), on the other hand.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Stock Purchase Agreement to be duly executed as of the day and year first above written.

BUYER:

BLEND LABS, INC.

By: /s/ Timothy J. Mayopoulous

Name: Timothy J. Mayopoulous

Title: President

[Signature Page to Stock Purchase Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Stock Purchase Agreement to be duly executed as of the day and year first above written.

COMPANY:

TITLE365 HOLDING CO.

By: /s/ Kristen Estrella

Name: Kristen Estrella

Title: President

SELLER:

XOME HOLDINGS LLC

By: /s/ Ethan Elzen

Name: Ethan Elzen

Title: Chief Financial Officer

Solely for the purposes of Section 4.02, Section 4.04, Section 6.06, Section 6.11 and Section 11.13 of this Agreement:

PARENT:

MR. COOPER GROUP INC.

By: /s/ Christopher G. Marshall

Name: Christopher G. Marshall

Title: Vice Chairman & Chief Financial Officer

[Signature Page to Stock Purchase Agreement]

Exhibit 3.3

BYLAWS OF

BLEND LABS, INC.

(A DELAWARE CORPORATION)

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BYLAWS
OF
BLEND LABS, INC.

ARTICLE I
OFFICES

1.1 **Registered Office**. The registered office shall be in the City of Dover, County of Kent, State of Delaware.

1.2 **Offices**. The corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

2.1 **Location**. All meetings of the stockholders for the election of directors shall be held in the City of Palo Alto, State of California, at such place as may be fixed from time to time by the Board of Directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting; provided, however, that the Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211 of the Delaware General Corporations Law ("DGCL"). Meetings of stockholders for any other purpose may be held at such time and place, if any, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof, or a waiver by electronic transmission by the person entitled to notice.

2.2 **Timing**. Annual meetings of stockholders, commencing with the year 2013, shall be held at such date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting.

2.3 **Notice of Meeting**. Written notice of any stockholder meeting stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given to each stockholder entitled to vote at such meeting not fewer than ten (10) nor more than sixty (60) days before the date of the meeting.

2.4 **Stockholders' Records**. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address (but not the electronic address or other electronic contact information) of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network,

provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

2.5 **Special Meetings**. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the Chief Executive Officer and shall be called by the Chief Executive Officer or secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of stockholders owning at least fifty percent (50%) in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

2.6 **Notice of Meeting**. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not fewer than ten (10) nor more than sixty (60) days before the date of the meeting, to each stockholder entitled to vote at such meeting. The means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting shall also be provided in the notice.

2.7 **Business Transacted at Special Meeting**. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

2.8 **Quorum; Meeting Adjournment; Presence by Remote Means**.

(a) *Quorum; Meeting Adjournment.* The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(b) *Presence by Remote Means.* If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(1) participate in a meeting of stockholders; and

(2) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

2.9 **Voting Thresholds**. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question.

2.10 **Number of Votes Per Share**. Unless otherwise provided in the certificate of incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote by such stockholder or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

2.11 **Action by Written Consent of Stockholders; Electronic Consent; Notice of Action**.

(a) *Action by Written Consent of Stockholders.* Unless otherwise provided by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing setting forth the action so taken, is signed in a manner permitted by law by the holders of outstanding stock having not less than the number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Written stockholder consents shall bear the date of signature of each stockholder who signs the consent in the manner permitted by law and shall be delivered to the corporation as provided in subsection (b) below. No written consent shall be effective to take the action set forth therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation in the manner provided above, written consents signed by a sufficient number of stockholders to take the action set forth therein are delivered to the corporation in the manner provided above.

(b) *Electronic Consent.* A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (1) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (2) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the Board of Directors of the corporation.

(c) *Notice of Action.* Prompt notice of any action taken pursuant to this Section 2.11 shall be provided to the stockholders in accordance with Section 228(e) of the DGCL.

ARTICLE III
DIRECTORS

3.1 **Authorized Directors**. The number of directors that shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors or by the stockholders at the annual meeting of the stockholders, except as provided in Section 3.2 of this Article, and each director elected shall hold office until his or her successor is elected and qualified. Directors need not be stockholders.

3.2 **Vacancies**. Unless otherwise provided in the corporation's certificate of incorporation, as it may be amended, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole Board of Directors (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent (10%) of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

3.3 **Board Authority**. The business of the corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

3.4 **Location of Meetings**. The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

3.5 **First Meeting**. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order to legally constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

3.6 **Regular Meetings**. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

3.7 **Special Meetings**. Special meetings of the Board of Directors may be called by the Chief Executive Officer upon notice to each director; special meetings shall be called by the Chief Executive Officer or secretary in like manner and on like notice on the written request of two (2) directors unless the Board of Directors consists of only one director, in which case special meetings shall be called by the Chief Executive Officer or secretary in like manner and on like notice on the written request of the sole director. Notice of any special meeting shall be given to each director at his or her business or residence in writing, or by telegram, facsimile transmission, telephone communication or electronic transmission (provided, with respect to electronic transmission, that the director has consented to receive the form of transmission at the address to which it is directed). If mailed, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company at least twenty-four (24) hours before such meeting. If by facsimile transmission or other electronic transmission, such notice shall be transmitted at least twenty-four (24) hours before such meeting. If by telephone, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these Bylaws as provided under Section 8.1 of Article VIII hereof. A meeting may be held at any time without notice if all the directors are present (except as otherwise provided by law) or if those not present waive notice of the meeting in writing, either before or after such meeting.

3.8 **Quorum**. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business and any act of a majority of the directors present at any meeting at which there is a quorum shall be an act of the Board of Directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum is not present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.9 **Action Without a Meeting**. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing, writings, electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee.

3.10 **Telephonic Meetings**. Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or any committee, by means of conference telephone or other means of communication by which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

3.11 **Committees**. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it, but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval or (ii) adopting, amending or repealing any provision of these bylaws.

3.12 **Minutes of Meetings**. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

3.13 **Compensation of Directors**. Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

3.14 **Removal of Directors**. Unless otherwise provided by the certificate of incorporation or these bylaws, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE IV
NOTICES

4.1 **Notice**. Unless otherwise provided in these bylaws, whenever, under the provisions of the statutes or of the certificate of incorporation or of these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his or her address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

4.2 **Waiver of Notice**. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

4.3 **Electronic Notice**.

(a) *Electronic Transmission.* Without limiting the manner by which notice otherwise may be given effectively to stockholders and directors, any notice to stockholders or directors given by the corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder or director to whom the notice is given. Any such consent shall be revocable by the stockholder or director by written notice to the corporation. Any such consent shall be deemed revoked if (1) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent and (2) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(b) *Effective Date of Notice.* Notice given pursuant to subsection (a) of this section shall be deemed given: (1) if by facsimile telecommunication, when directed to a number at which the stockholder or director has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the stockholder or director has consented to receive notice; (3) if by a posting on an electronic network together with separate notice to the stockholder or director of such specific posting, upon the later of (i) such posting and (ii) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the stockholder or director. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(c) *Form of Electronic Transmission*. For purposes of these bylaws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE V
OFFICERS

5.1 **Required and Permitted Officers**. The officers of the corporation shall be chosen by the Board of Directors and shall be a Chief Executive Officer and/or a president, a treasurer and a secretary. The Board of Directors may elect from among its members a Chairman of the Board and a Vice-Chairman of the Board. The Board of Directors may also choose one or more vice-presidents, assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these bylaws otherwise provide.

5.2 **Appointment of Required Officers**. The Board of Directors at its first meeting after each annual meeting of stockholders shall choose a Chief Executive Officer and/or a president, a treasurer, and a secretary and may choose vice-presidents.

5.3 **Appointment of Permitted Officers**. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

5.4 **Officer Compensation**. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors.

5.5 **Term of Office; Vacancies**. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

THE CHAIRMAN OF THE BOARD

5.6 **Chairman Presides**. Unless the Board of Directors appoints a Chairman of the Board, the Chief Executive Officer shall be the Chairman of the Board, so long as the Chief Executive Officer is a director of the corporation. The Chairman of the Board shall preside at all meetings of the Board-of Directors and of the stockholders at which he or she shall be present. He or she shall have and may exercise such powers as are, from time to time, assigned to him or her by the Board of Directors and as may be provided by law.

5.7 **Absence of Chairman**. In the absence of the Chairman of the Board, the Vice-Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. He or she shall have and may exercise such powers as are, from time to time, assigned to him or her by the Board of Directors and as may be provided by law.

THE CHIEF EXECUTIVE OFFICER

5.8 **Powers of Chief Executive Officer**. The Chief Executive Officer shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

5.9 **Chief Executive Officer's Signature Authority**. The Chief Executive Officer shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation. The Chief Executive Officer may sign certificates for shares of stock of the corporation.

5.10 **Absence of Chief Executive Officer**. In the absence of the Chief Executive Officer or in the event of his or her inability or refusal to act, the president shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

THE PRESIDENT AND VICE-PRESIDENTS

5.11 **Powers of President**. Unless the Board of Directors appoints a president of the corporation, the Chief Executive Officer shall be the president of the corporation. The president of the corporation shall have such powers as required by law and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

5.12 **Absence of President**. In the absence of the president or in the event of his or her inability or refusal to act, the vice-president, if any, (or in the event there be more than one vice-president, the vice-presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARY

5.13 **Duties of Secretary**. The secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer, under whose supervision he or she shall be. He or she shall have custody of the corporate seal of the corporation and he or she, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature.

5.14 **Duties of Assistant Secretary**. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

5.15 **Duties of Treasurer**. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

5.16 **Disbursements and Financial Reports**. He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all his or her transactions as treasurer and of the financial condition of the corporation.

5.17 **Treasurer's Bond**. If required by the Board of Directors, the treasurer shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the corporation.

5.18 **Duties of Assistant Treasurer**. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of the treasurer's inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE VI
CERTIFICATE OF STOCK

6.1 **Stock Certificates**. Every holder of stock in the corporation shall be entitled to have a certificate, signed by or in the name of the corporation by, the Chairman or Vice-Chairman of the Board of Directors, or the president or a vice-president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him or her in the corporation.

Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor, and the amount paid thereon shall be specified.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

6.2 **Facsimile Signatures**. Any or all of the signatures on the certificate may be facsimile. In the event that any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, the certificate may be issued by the corporation with the same effect as if such officer, transfer agent or registrar were still acting as such at the date of issue.

6.3 **Lost Certificates**. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

6.4 **Transfer of Stock**. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

6.5 **Fixing a Record Date**. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

6.6 **Registered Stockholders**. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, to vote as such owner, to hold liable for calls and assessments a person registered on its books as the owner of shares and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII
GENERAL PROVISIONS

7.1 **Dividends**. Dividends upon the capital stock of the corporation, if any, subject to the provisions of the certificate of incorporation, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

7.2 **Reserve for Dividends**. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their sole discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purposes as the directors think conducive to the interests of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

7.3 **Checks**. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

7.4 **Fiscal Year**. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

7.5 **Corporate Seal**. The Board of Directors may adopt a corporate seal having inscribed thereon the name of the corporation, the year of its organization and the words “Corporate Seal, Delaware.” The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

7.6 **Indemnification**. The corporation shall, to the fullest extent authorized under the laws of the State of Delaware, as those laws may be amended and supplemented from time to time, indemnify any director made, or threatened to be made, a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of being a director of the corporation or a predecessor corporation or a director or officer of another corporation, if

such person served in such position at the request of the corporation; provided, however, that the corporation shall indemnify any such director or officer in connection with a proceeding initiated by such director or officer only if such proceeding was authorized by the Board of Directors of the corporation. The indemnification provided for in this Section 7.6 shall: (i) not be deemed exclusive of any other rights to which those indemnified may be entitled under these bylaws, agreement or vote of stockholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, (ii) continue as to a person who has ceased to be a director, and (iii) inure to the benefit of the heirs, executors and administrators of a person who has ceased to be a director. The corporation's obligation to provide indemnification under this Section 7.6 shall be offset to the extent of any other source of indemnification or any otherwise applicable insurance coverage under a policy maintained by the corporation or any other person.

Expenses incurred by a director of the corporation in defending a civil or criminal action, suit or proceeding by reason of the fact that he or she is or was a director of the corporation (or was serving at the corporation's request as a director or officer of another corporation) shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as authorized by relevant sections of the DGCL. Notwithstanding the foregoing, the corporation shall not be required to advance such expenses to an agent who is a party to an action, suit or proceeding brought by the corporation and approved by a majority of the Board of Directors of the corporation that alleges willful misappropriation of corporate assets by such agent, disclosure of confidential information in violation of such agent's fiduciary or contractual obligations to the corporation or any other willful and deliberate breach in bad faith of such agent's duty to the corporation or its stockholders.

The foregoing provisions of this Section 7.6 shall be deemed to be a contract between the corporation and each director who serves in such capacity at any time while this bylaw is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts.

The Board of Directors in its sole discretion shall have power on behalf of the corporation to indemnify any person, other than a director, made a party to any action, suit or proceeding by reason of the fact that he or she, his or her testator or intestate, is or was an officer or employee of the corporation.

To assure indemnification under this Section 7.6 of all directors, officers and employees who are determined by the corporation or otherwise to be or to have been "fiduciaries" of any employee benefit plan of the corporation that may exist from time to time, Section 145 of the DGCL shall, for the purposes of this Section 7.6, be interpreted as follows: an "other enterprise" shall be deemed to include such an employee benefit plan, including without limitation, any plan of the corporation that is governed by the Act of Congress entitled "Employee Retirement Income Security Act of 1974," as amended from time to time; the corporation shall be deemed to have requested a person to serve the corporation for purposes of Section 145 of the DGCL, as administrator of an employee benefit plan where the performance by such person of his or her duties to the corporation also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan; excise taxes assessed on a person with respect to an employee benefit plan pursuant to such Act of Congress shall be deemed "fines."

CERTIFICATE OF INCORPORATION GOVERNS

7.7 **Conflicts with Certificate of Incorporation**. In the event of any conflict between the provisions of the corporation's certificate of incorporation and these bylaws, the provisions of the certificate of incorporation shall govern.

ARTICLE VIII
AMENDMENTS

8.1 These bylaws may be altered, amended or repealed, or new bylaws may be adopted by the stockholders or by the Board of Directors, when such power is conferred upon the Board of Directors by the certificate of incorporation at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal bylaws is conferred upon the Board of Directors by the certificate of incorporation, it shall not divest or limit the power of the stockholders to adopt, amend or repeal bylaws.

ARTICLE IX
LOANS TO OFFICERS

9.1 The corporation may lend money to, or guarantee any obligation of or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

ARTICLE X
RECORDS AND REPORTS

10.1 The application and requirements of Section 1501 of the California General Corporation Law are hereby expressly waived to the fullest extent permitted thereunder.

CERTIFICATE OF SECRETARY OF

BLEND LABS, INC.

The undersigned, Louis D. Soto, hereby certifies that he is the duly elected and acting Secretary of **BLEND LABS, INC.**, a Delaware corporation (the "Corporation"), and that the Bylaws attached hereto constitute the Bylaws of said Corporation as duly adopted by Action by Written Consent in Lieu of Organizational Meeting by the Directors on May 1, 2012.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed his name this 1st day of May, 2012.

/s/ Louis D. Soto

Louis D. Soto, Secretary

AMENDMENT NO. 1 TO THE
BYLAWS
OF
BLEND LABS, INC.,
a Delaware corporation

THIS AMENDMENT NO. 1 TO THE BYLAWS of Blend Labs, Inc., a Delaware corporation (the "Bylaws"), is made as of April 9, 2019.

1. The Bylaws are hereby amended by the addition thereto of a new Article XI, which reads in its entirety as follows:

"ARTICLE XI
STOCK TRANSFERS

11.1. **Stock Transfer Agreements**. The corporation shall have the power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by DGCL.

11.2. **Restrictions on Transfer**.

(a) *Restrictions on Transfer*. No stockholder of the corporation (a "Stockholder") may sell, assign, transfer, pledge, encumber, grant an economic or participation interest in, contractually transfer the economic benefits of, or in any manner dispose of ("Transfer") any share of Class B Common Stock of the corporation (a "Share"), whether voluntarily or by operation of law, or by gift or otherwise, other than by means of a Permitted Transfer (as defined below). If any provision(s) of any agreement(s) currently in effect by and between the corporation and any Stockholder (the "Stockholder Agreement(s)") conflicts with this Section 11.2 of the Bylaws, this Section 11.2 shall govern, and the remaining provision(s) of the Stockholder Agreement(s) that do not conflict with this Section 11.2 shall continue in full force and effect.

(b) *Permitted Transfers*. For purposes of this Section 11.2, a "Permitted Transfer" shall mean any of the following:

(i) any Transfer by a Stockholder of any or all of such Stockholder's Shares to the corporation;

(ii) any Transfer by a Stockholder of any or all of such Stockholder's Shares to such Stockholder's Immediate Family (as defined below) or a trust or other entity for the benefit of such Stockholder or such Stockholder's Immediate Family;

(iii) any Transfer by a Stockholder of any or all of such Stockholder's Shares effected pursuant to such Stockholder's beneficiary designation, will or the laws of intestate succession;

(iv) if a Stockholder is a partnership, limited liability company, or corporation, any Transfer by such Stockholder of any or all of such Stockholder's Shares to the partners, members, retired partners, retired members, stockholders, and/or Affiliates (as defined below) of such Stockholder; provided that no Stockholder may Transfer any of such Stockholder's Shares to a Special Purpose Entity (as defined below) pursuant to this subsection (iv); and/or

(v) any Transfer of Shares approved by the Company.

1. Notwithstanding the foregoing, if a Permitted Transfer is approved pursuant to subsection (v) of this Section 11.2(b) and the Shares of the transferring party are subject to rights of first refusal and/or co-sale rights pursuant to a Stockholder Agreement (the "First Refusal and Co-Sale Rights"), the persons and/or entities entitled to the First Refusal and Co-Sale Rights shall be permitted to exercise their respective First Refusal and Co-Sale Rights in conjunction with that specific Permitted Transfer without any additional approval of the Company pursuant to this Section 11.2.

(c) *Certain Definitions*. For purposes of this Section 11.2:

(i) "Affiliate" shall mean any person or entity who or which, directly or indirectly, controls, is controlled by, or is under common control with the relevant Stockholder, including, without limitation, any general partner, managing partner, limited partner, manager, managing member, officer or director of such Stockholder or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, shares the same management or advisory company with, or is otherwise affiliated with, such Stockholder.

(iii) "Immediate Family" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships.

(iv) "Liquidation Transaction" shall mean any transaction defined as a "Liquidation Transaction" in the certificate of incorporation or, if such term is not defined in the certificate of incorporation, shall mean (A) the closing of the sale, transfer or other disposition of all or substantially all of the corporation's assets, (B) the consummation of the merger or consolidation of the corporation with or into another entity (except a merger or consolidation in which the holders of capital stock of the corporation immediately prior to such merger or consolidation continue to hold at least 50% of the voting power of the capital stock of the corporation or the surviving or acquiring entity in substantially identical proportions and with substantially identical rights, preferences, privileges and restrictions as existed immediately prior to such transaction), (C) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of the corporation's securities), of the corporation's securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting stock of the corporation (or the surviving or acquiring entity) or (iv) a

liquidation, dissolution or winding up of the corporation; provided, however, that a transaction shall not constitute a Liquidation Transaction if its sole purpose is to change the state of the corporation's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the corporation's securities immediately prior to such transaction.

(v) "Special Purpose Entity" shall mean an entity that holds or would hold only Shares or has or would have a class or series of security holders with beneficial interests primarily in Shares (including for such purpose an entity that holds cash and/or cash equivalents intended to purchase Shares).

(d) *Void Transfers*. Any Transfer of Shares shall be null and void unless the terms, conditions and provisions of this Section 11.2 are strictly observed and followed.

(e) *Termination of Restriction on Transfer*. The foregoing restriction on Transfer shall lapse upon the earlier of (i) immediately prior to the consummation of a Liquidation Transaction, or (ii) immediately prior to the corporation's first firm commitment underwritten public offering of its securities pursuant to a registration statement under the Securities Act of 1933, as amended.

(f) *Legends*. The certificates representing Shares shall bear on their face the following legend so long as the foregoing restriction on Transfer remains in effect:

> "THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE BYLAWS OF THE CORPORATION. COPIES OF THE BYLAWS OF THE CORPORATION MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE CORPORATION."

2. Except as specifically amended herein, the Bylaws of the corporation shall remain unchanged and in full force and effect.

[*Remainder of page intentionally left blank*.]

CERTIFICATE OF SECRETARY
OF
BLEND LABS, INC.

The undersigned certifies:

1. That the undersigned is the duly elected and acting Secretary of Blend Labs, Inc., a Delaware corporation (the "Corporation"); and

2. That the foregoing Amendment No. 1 to the Bylaws constitutes the entire amendment to the Bylaws of the Corporation as duly adopted by the Board of Directors by unanimous written consent on April 9, 2019.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of April 9, 2019.

/s/ Crystal Sumner
Crystal Sumner
Secretary

AMENDMENT NO. 2 TO THE
BYLAWS
OF
BLEND LABS, INC.,
a Delaware corporation

THIS AMENDMENT NO. 2 TO THE BYLAWS of Blend Labs, Inc., a Delaware corporation (the "Bylaws"), is made as of March 9, 2020.

1. The first paragraph of Section 6.1 of the Bylaws is hereby amended in its entirety to read as follows:

6.1 **Stock Certificates**. Every holder of stock in the corporation shall be entitled to have a certificate, signed by or in the name of the corporation by any two authorized officers of the corporation, certifying the number of shares owned by him or her in the corporation.

2. Except as specifically amended herein, the Bylaws of the corporation shall remain unchanged and in full force and effect.

[*Remainder of page intentionally left blank.*]

CERTIFICATE OF SECRETARY
OF
BLEND LABS, INC.

The undersigned certifies:

1. That the undersigned is the duly elected and acting Secretary of Blend Labs, Inc., a Delaware corporation (the "Corporation"); and

2. That the foregoing Amendment No. 2 to the Bylaws constitutes the entire amendment to the Bylaws of the Corporation as duly adopted by the Board of Directors by unanimous written consent on March 9, 2020.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of March 9, 2020.

/s/ Crystal Sumner
Crystal Sumner
Secretary

Exhibit 4.2

BLEND LABS, INC.

AMENDED AND RESTATED
INVESTORS' RIGHTS AGREEMENT

JANUARY 11, 2021

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

This AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (the "Agreement") is made as of the 11 day of January, 2021, by and among **BLEND LABS, INC.**, a Delaware corporation (the "Company"), and the investors listed on Schedule A hereto, each of which is herein referred to as an "Investor" and collectively as the "Investors".

RECITALS

WHEREAS, certain of the Investors (the "Existing Investors") hold shares of the Company's Series A Preferred Stock, par value $0.00001 per share (the "Series A Preferred Stock"), Series B Preferred Stock, par value $0.00001 per share (the "Series B Preferred Stock"), Series B-1 Preferred Stock, par value $0.00001 per share (the "Series B-1 Preferred Stock"), Series C Preferred Stock, par value $0.00001 per share (the "Series C Preferred Stock"), Series D Preferred Stock, par value $0.00001 per share (the "Series D Preferred Stock"), Series D-1 Preferred Stock, par value $0.00001 per share (the "Series D-1 Preferred Stock"), Series E Preferred Stock, par value $0.00001 per share (the "Series E Preferred Stock") and Series F Preferred Stock, par value $0.00001 per share (the "Series F Preferred Stock") possess registration rights, information rights, rights of first offer and other rights pursuant to an Amended and Restated Investors' Rights Agreement dated as of August 4, 2020, by and among the Company and such Existing Investors (the "Prior Agreement");

WHEREAS, the Prior Agreement may be amended, and any provision therein waived, with the consent of the Company and the Investors holding a majority of the Registrable Securities (as defined in the Prior Agreement);

WHEREAS, the Existing Investors, as holders of majority of the Registrable Securities (as defined in the Prior Agreement), desire to terminate the Prior Agreement and to accept the rights created pursuant hereto in lieu of the rights granted to them under the Prior Agreement;

WHEREAS, the Company and certain Investors are parties to that certain Series G Preferred Stock Purchase Agreement of even date herewith (the "Series G Agreement"); and

WHEREAS, in order to induce certain Investors to purchase Series G Preferred Stock, par value $0.00001 per share (the "Series G Preferred Stock" and, together with the Series A Preferred Stock, the Series B Preferred Stock, the Series B-1 Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series D-1 Preferred Stock, the Series E Preferred Stock and the Company's Series F Preferred Stock, par value $0.00001 per share, the "Preferred Stock"), and invest funds in the Company pursuant to the Series G Agreement, the Investors and the Company hereby agree that this Agreement shall govern the rights of the Investors to cause the Company to register shares of Class B Common Stock, par value $0.00001 per share (the "Common Stock"), issued or issuable to them and certain other matters as set forth herein;

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Definitions. For purposes of this Agreement:

(a) The term "Act" means the Securities Act of 1933, as amended.

(b) The term "Affiliate" means, with respect to any Person, any other Person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified Person, including, without limitation, any general partner, officer, director or manager of such Person and any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or is under common investment management with, such Person. For the avoidance of doubt, any Permitted Founders Fund Entity shall be considered an Affiliate of any other Permitted Founders Fund Entity.

(c) The term "Board" means the Company's Board of Directors, as constituted from time to time.

(d) The term "Direct Listing" shall have the same meaning as in the Restated Certificate..

(e) The term "Form S-3" means such form under the Act as in effect on the date hereof or any registration form under the Act subsequently adopted by the SEC that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(f) The term "Free Writing Prospectus" means a free-writing prospectus, as defined in Rule 405.

(g) The term "Holder" means any Person owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Section 2.10 of this Agreement.

(h) The term "Initial Offering" means the Company's first firm commitment underwritten public offering of its Common Stock on Form S-1 under the Act.

(i) The term "1934 Act" means the Securities Exchange Act of 1934, as amended.

(j) The term "Permitted Founders Fund Entity" means (i) Founders Fund, LLC; (ii) The Founders Fund IV Management LLC; (iii) The Founders Fund IV, LP; (iv) The Founders Fund IV Principals Fund, LP; (v) Lembas V (or, in the alternative, one (1) similar Founders Fund investment vehicle); (vi) The Founders Fund V Management, LLC; (vii) The Founders Fund V, LP; (viii) The Founders Fund V Principals Fund, LP; (ix) The Founders Fund V Entrepreneurs Fund, LP; (x) FF Angel V, LLC; (xi) FF Science V, LLC; (xii) any Founders Fund employee investment vehicles; and (xiii) any partner or affiliate of any Permitted Founders Fund Entity.

(k) The term "Person" shall mean any individual, corporation, partnership, trust, limited liability company, association or other entity.

(l) The terms "register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

(m) The term "Registrable Securities" means (i) the Common Stock issued or issuable upon conversion of the Class A Common Stock issued or issuable upon conversion of the Preferred Stock (ii) Common Stock issued prior to the date hereof upon conversion of convertible promissory notes issued pursuant to that certain Convertible Note Purchase Agreement, dated as of May 17, 2012, (iii) Common Stock purchased by Coatue or Tiger in the Tender Offer for so long as such shares are held by Coatue or Tiger, and (iv) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (i) and (ii) above, excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which his rights under Section 2 of this Agreement are not assigned. In addition, the number of shares of Registrable Securities outstanding shall equal the aggregate of the number of shares of Common Stock outstanding that are, and the number of shares of Common Stock issuable pursuant to then exercisable or convertible securities that are, Registrable Securities.

(n) The term "Regulated Holder" shall mean any Holder that is a bank holding company subject to the provisions of the Bank Holding Company Act of 1956, as amended, and as implemented by the Board of Governors of the Federal Reserve System, whether pursuant to regulation or interpretation, or an affiliate (as defined in Regulation Y (12 C.F.R. Part 225)) thereof.

(o) The term "Restated Certificate" shall mean the Company's Amended and Restated Certificate of Incorporation, as amended and/or restated from time to time.

(p) The term "Rule 144" shall mean Rule 144 under the Act.

(q) The term "Rule 144(b)(1)(i)" shall mean subsection (b)(1)(i) of Rule 144 under the Act as it applies to Persons who have held shares for more than one (1) year.

(r) The term "Rule 405" shall mean Rule 405 under the Act.

(s) The term "SEC" shall mean the Securities and Exchange Commission.

(t) The term "SPAC" shall have the same meaning as in the Restated Certificate.

(u) The term "SPAC Transaction" shall have the same meaning as in the Restated Certificate.

(v) The term "Tender Offer" shall have the meaning given to such term in the Co-Sale Agreement (as defined in the Series G Agreement).

(w) The term "Tiger" shall mean Tiger Global Investments, L.P. and its Affiliates.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Request for Registration.

(a) Subject to the conditions of this Section 2.1, if the Company shall receive at any time after the earlier of (i) five years after the date of this Agreement or (ii) six (6) months after the effective date of the Qualified IPO (as defined in the Restated Certificate), a written request from the Holders of at least fifty percent (50%) of the Registrable Securities then outstanding (for purposes of this Section 2.1, the "Initiating Holders") that the Company file a registration statement under the Act covering the registration of Registrable Securities with an anticipated aggregate offering price of at least $5,000,000, then the Company shall, within twenty (20) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 2.1, use its commercially reasonable efforts to effect, as soon as practicable, the registration under the Act of all Registrable Securities that the Holders request to be registered in a written request received by the Company within twenty (20) days of the mailing of the Company's notice pursuant to this Section 2.1(a) (including, without limitation, filing post-effective amendments, appropriate qualifications under applicable blue sky or other state securities laws, and appropriate compliance with the Act), and use all reasonable efforts to permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request.

If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.1, and the Company shall include such information in the written notice referred to in Section 2.1(a). In such event the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting (and the Company, if applicable) shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company (which underwriter or underwriters shall be reasonably acceptable to those Initiating Holders holding a majority of the Registrable Securities then held by all Initiating Holders). Notwithstanding any other provision of this Section 2.1, if the underwriter advises the Company that marketing factors require a limitation on the number of securities underwritten (including Registrable Securities), then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated to the Holders of such Registrable Securities pro rata based on the number of Registrable Securities held by all such Holders (including the Initiating Holders). In no event shall any Registrable Securities be excluded from such underwriting unless all other securities are first excluded. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(b) If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall be excluded therefrom by written notice from the Company, the underwriter or the Initiating Holders. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall also be withdrawn from such registration. If shares are so withdrawn from the registration and if the number of shares to be included in such registration was previously reduced as a result of marketing factors pursuant to this Section 2.1(b), then the Company shall then offer to all Holders who have retained rights to include securities in the registration the right to include additional Registrable Securities in the registration in an aggregate amount equal to the number of shares so withdrawn, with such shares to be allocated among such Holders requesting additional inclusion based on the pro rata percentage of Registrable Securities held by such Holders assuming conversion.

(c) Notwithstanding the foregoing, the Company shall not be required to effect a registration pursuant to this Section 2.1:

(i) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already subject to service in such jurisdiction and except as may be required under the Act; or

(ii) after the Company has effected two (2) registrations pursuant to this Section 2.1, and such registrations have been declared or ordered effective; or

(iii) during the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of the filing of and ending on a date one hundred eighty (180) days following the effective date of a Company-initiated registration subject to Section 2.2 below, provided that the Company is actively employing in good faith its commercially reasonable efforts to cause such registration statement to become effective; or

(iv) if the Initiating Holders propose to dispose of Registrable Securities that may be registered on Form S-3 pursuant to Section 2.3 hereof; or

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 2.1 a certificate signed by the Company's Chief Executive Officer or Chairman of the Board of Directors stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders; provided that such right shall be exercised by the Company not more than once in any twelve (12) month period; and provided further that the Company shall not register any securities for the account of itself or any other stockholder during such ninety (90) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under

Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered).

2.2 Company Registration.

(a) If (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders) any of its stock or other securities under the Act in connection with the public offering of such securities (other than (i) a registration relating to a demand pursuant to Section 2.1 of this Agreement or (ii) a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within twenty (20) days after mailing of such notice by the Company in accordance with Section 4.5 of this Agreement, the Company shall, subject to the provisions of Section 2.2(c) of this Agreement, use its commercially reasonable efforts to cause to be registered under the Act all of the Registrable Securities that each such Holder requests to be registered.

(b) Each Holder's written request shall state the number of Registrable Securities such Holder wishes to include in such registration statement. Holders that do not elect to participate in any registration and underwriting under this Section 2.2 shall nevertheless continue to have the right to include any Registrable Securities in subsequent registrations and underwritings to which this Section 2.2 is applicable.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with Section 2.6 hereof.

(d) Underwriting Requirements. In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under this Section 2.2 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by the Company (or by other Persons entitled to select the underwriters) and enter into an underwriting agreement in customary form with such underwriters, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the amount of securities sold other than by the Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in

the offering only that number of such securities, including Registrable Securities, that the underwriters determine in their sole discretion will not jeopardize the success of the offering. In the event that the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be apportioned pro rata among the selling Holders based on the number of Registrable Securities held by all selling Holders or in such other proportions as shall mutually be agreed to by all such selling Holders. Notwithstanding the foregoing, in no event shall (i) any Registrable Securities be excluded from such offering unless all other stockholders' securities have been first excluded from the offering, (ii) the amount of securities of the selling Holders included in the offering be reduced below twenty-five percent (25%) of the total amount of securities included in such offering, unless such offering is the Initial Offering, in which case the selling Holders may be excluded if the underwriters make the determination described above and no other stockholder's securities are included in such offering and (iii) notwithstanding (ii) above, any shares being sold by a stockholder exercising a demand registration right similar to that granted in Section 2.1 be excluded from such offering. For purposes of the preceding sentence concerning apportionment, for any selling stockholder that is a Holder of Registrable Securities and that is a venture capital fund, partnership or corporation, the affiliated venture capital funds, partners, members, retired partners and stockholders of such Holder, or the estates and family members of any such partners, members and retired partners and any trusts for the benefit of any of the foregoing Persons shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate amount of Registrable Securities owned by all such related entities and individuals.

(e) If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall also be excluded therefrom by written notice from the Company or the underwriter. The Registrable Securities or other securities so excluded shall also be withdrawn from such registration. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration. If shares are so withdrawn from the registration and if the number of shares of Registrable Securities to be included in such registration was previously reduced as a result of marketing factors pursuant to Section 2.2, the Company shall then offer to all persons who have retained the right to include securities in the registration the right to include additional securities in the registration in an aggregate amount equal to the number of shares so withdrawn, with such shares to be allocated among (i) first, the Holders requesting to include Registrable Securities in such registration statement based on the pro rata percentage of Registrable Securities held by such Holders, assuming conversion, and (ii) second, others requesting to include shares in such registration statement based on the pro rata percentage of shares held by such person, assuming conversion.

2.3 Form S-3 Registration. After its initial public offering, the Company shall use its commercially reasonable efforts to qualify for registration on Form S-3 or any comparable or successor form or forms. After the Company has qualified for the use of Form S-3, in addition to the rights contained in the foregoing provisions of this Section 2.3 and subject to the conditions set forth in this Section 2.3, if the Company shall receive from the Holders of at least thirty percent (30%) of the Registrable Securities (for purposes of this Section 2.3, the "S-3 Initiating Holders") a written request or requests that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company shall:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) use its commercially reasonable efforts to effect, as soon as practicable, such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company; provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 2.3:

(i) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than $2,000,000;

(ii) if the Company shall furnish to all Holders requesting a registration statement pursuant to this Section 2.3 a certificate signed by the Company's Chief Executive Officer or Chairman of the Board of Directors stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the S-3 Initiating Holders; provided that such right shall be exercised by the Company not more than once in any twelve (12) month period; and provided further that the Company shall not register any securities for the account of itself or any other stockholder during such ninety (90) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered);

(iii) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form S-3 pursuant to this Section 2.3;

(iv) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance;

(v) if the Company, within thirty (30) days of receipt of the request of such S-3 Initiating Holders, gives notice of its bona fide intention to effect the filing of a registration statement with the SEC within one hundred twenty (120) days of receipt of such request (other than a registration effected solely to qualify an employee benefit plan or to effect a business combination pursuant to Rule 145), provided that the Company is actively employing in good faith its commercially reasonable efforts to cause such registration statement to become effective; or

(vi) during the period starting with the date thirty (30) days prior to the Company's good faith estimate of the date of the filing of and ending on a date ninety (90) days following the effective date of a Company-initiated registration subject to Section 2.2 of this Agreement, provided that the Company is actively employing in good faith its commercially reasonable efforts to cause such registration statement to become effective.

(c) If the S-3 Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.3 and the Company shall include such information in the written notice referred to in Section 2.3(a). The provisions of Section 2.1(b) of this Agreement shall be applicable to such request (with the substitution of Section 2.3 for references to Section 2.1).

(d) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the S-3 Initiating Holders. Registrations effected pursuant to this Section 2.3 shall not be counted as requests for registration effected pursuant to Section 2.1 of this Agreement.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed;

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement;

(c) To the extent the Company is a well-known seasoned issuer (as defined in Rule 405 under the Act) (a "WKSI") at the time any request for registration is submitted to the Company in accordance with Section 2.3, (i) if so requested, file an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) (an "*automatic shelf registration statement*") to effect such registration, and (ii) remain a WKSI (and not become an ineligible issuer (as defined in Rule 405 under the Securities Act)) during the period during which such automatic shelf registration statement is required to remain effective in accordance with this Agreement;

(d) furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus and any Free Writing Prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(e) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(f) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering;

(g) notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) relating thereto is required to be delivered under the Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and, at the request of any such Holder, the Company will, as soon as reasonably practicable, file and furnish to all such Holders a supplement or amendment to such prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in light of the circumstances under which they were made;

(h) use its commercially reasonable efforts to furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and reasonably satisfactory to a majority in interest of the Holders requesting registration of Registrable Securities and (ii) a "comfort" letter dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters;

(i) cause all such Registrable Securities registered pursuant to this Section 2 to be listed on a national exchange or trading system and on each securities exchange and trading system on which similar securities issued by the Company are then listed;

(j) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration; and

(k) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months, but not more than eighteen months, beginning with the first month after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Act;

Notwithstanding the provisions of this Section 2, the Company shall be entitled to postpone or suspend, for a reasonable period of time, the filing, effectiveness or use of, or trading under, any registration statement if the Company shall determine that any such filing or the sale of any securities pursuant to such registration statement would in the good faith judgment of the Board:

(i) materially impede, delay or interfere with any material pending or proposed financing, acquisition, corporate reorganization or other similar transaction involving the Company for which the Board has authorized negotiations;

(ii) materially and adversely impair the consummation of any pending or proposed material offering or sale of any class of securities by the Company; or

(iii) require disclosure of material nonpublic information that, if disclosed at such time, would be materially harmful to the interests of the Company and its stockholders; provided, however, that during any such period all executive officers and directors of the Company are also prohibited from selling securities of the Company (or any security of any of the Company's subsidiaries or affiliates).

In the event of the suspension of effectiveness of any registration statement pursuant to this Section 2.4, the applicable time period during which such registration statement is to remain effective shall be extended by that number of days equal to the number of days the effectiveness of such registration statement was suspended.

2.5 Information from Holder. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications pursuant to Sections 2.1, 2.2 and 2.3 of this Agreement, including, without limitation, all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one counsel for the selling Holders (not to exceed $50,000) shall be borne by the Company. Notwithstanding the foregoing, the

Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.1 or Section 2.3 of this Agreement if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration) unless, in the case of a registration requested under Section 2.1 of this Agreement, the Holders of a majority of the Registrable Securities agree to forfeit their right to one demand registration pursuant to Section 2.1 of this Agreement and; provided, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses and shall retain their rights pursuant to Sections 2.1 and 2.3 of this Agreement. All expenses relating to securities registered on behalf of the Holders, that are to be borne by Holders, shall be borne by the holders of securities included in such registration *pro rata* among each other on the basis of the number of Registrable Securities so registered.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. In the event any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, members, officers, directors and stockholders of each Holder, legal counsel and accountants for each Holder, any underwriter (as defined in the Act) for such Holder and each Person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act, against any expenses, losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages, or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "Violation"): (i) any untrue or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus, final prospectus, or Free Writing Prospectus contained therein or any amendments or supplements thereto, any issuer information (as defined in Rule 433 of the Act) filed or required to be filed pursuant to Rule 433(d) under the Act or any other document incident to such registration prepared by or on behalf of the Company or used or referred to by the Company, (ii) the omission or alleged omission of a material fact required to be stated in such registration statement, or necessary to make the statements therein not misleading or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any state securities laws, and the Company will reimburse each such Holder, underwriter, controlling Person or other aforementioned Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding as such expenses are incurred; provided, however, that the indemnity agreement

contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, action or proceeding if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability, action or proceeding to the extent that it arises out of or is based upon a Violation that occurs in reliance upon, and in conformity with, any untrue statement or omission based upon written information furnished expressly for use in connection with such registration by any such Holder, underwriter, controlling Person or other aforementioned Person.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification or compliance is being effected, indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each Person, if any, who controls the Company within the meaning of the Act, legal counsel and accountants for the Company, any underwriter, any other Holder selling securities in such registration statement and any controlling Person of any such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing Persons may become subject, under the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any Person intended to be indemnified pursuant to this Section 2.8(b) for any legal or other expenses reasonably incurred by such Person in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, action or proceeding if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld), and provided that in no event shall any indemnity under this Section 2.8(b) exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) for which a party may be entitled to indemnification, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one (1) separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party

within a reasonable time of the commencement of any such action or proceeding, if prejudicial to its ability to defend such action or proceeding, shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8 to the extent of such prejudice, but the omission to so deliver written notice to the indemnifying party will not relieve such indemnifying party of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) If the indemnification provided for in this Section 2.8 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations; provided, however, that (i) no contribution by any Holder, when combined with any amounts paid by such Holder pursuant to Section 2.8(b), shall exceed the net proceeds from the offering received by such Holder and (ii) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Section 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Section 2.8(b), exceed the proceeds from the offering received by such Holder (net of any expenses paid by such Holder). The relative fault of the indemnifying party and the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. No person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) The obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 2 and otherwise.

2.9 Reports Under the 1934 Act. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the effective date of the Initial Offering or Direct Listing;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Act and the 1934 Act; and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company), the Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company and (iii) such other information as may be reasonably requested to avail any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

2.10 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 2 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such securities that (a) is an Affiliate, subsidiary, parent, partner, limited partner, retired partner, member or stockholder of a Holder, (b) is a Holder's family member or trust for the benefit of an individual Holder or any of such Holder's family members, or (c) after such assignment or transfer, holds at least 5,000,000 shares of Registrable Securities (appropriately adjusted for any stock split, dividend, combination or other recapitalization), provided: (i) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; (ii) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including, without limitation, the provisions of Section 2.12 of this Agreement; and (iii) such assignment shall be effective only if immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Act.

2.11 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders holding a majority of the Registrable Securities then held by all Holders, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (a) to include any of such securities in any registration filed under Section 2.1, Section 2.2 or Section 2.3 of this Agreement, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the amount of the Registrable Securities of the Holders that are included, (b) to demand registration of their securities or (c) to exercise other registration rights that are senior to those granted to the Holders hereunder.

2.12 "Market Stand-Off" Agreement.

(a) Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter (in connection with an Initial Offering) or the Company as unanimously approved by the Board (in connection with a SPAC Transaction), during the period commencing on the date of (a) the effectiveness of the registration statement for the Initial Offering or (b) the closing of the SPAC Transaction, and ending on the date specified by the managing underwriter (for an Initial Offering) or the Company as unanimously approved by the Board (for a SPAC Transaction) (such period not to exceed one hundred eighty (180) days) (i) 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 shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (or, in the case of a SPAC Transaction, any shares of the common stock or other share capital of the SPAC or any securities convertible into or exercisable or exchangeable, directly or indirectly, for such common stock or other share capital received in exchange for or as consideration in respect of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock ("SPAC Securities")) held immediately prior to consummation of the Initial Offering or acquired in connection with the SPAC Transaction, or (ii) engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) that is designed to, or that reasonably could be expected to, lead to or result in a sale or disposition (whether by the Holder or someone other than the Holder), or a transfer of any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock, the common stock or share capital of the SPAC or other securities, in cash or otherwise. The foregoing provisions of this Section 2.12 (I) shall apply only to the Initial Offering or SPAC Transaction, (II) shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, (III) shall not apply to transactions relating to Common Stock or other securities acquired in the Initial Offering or in open market transactions in connection with or after completion of the Initial Offering or SPAC Transaction, (IV) shall not apply transfers to Affiliates of such Holder provided such Affiliate shall have furnished to the Company and the managing underwriter their written consent to be bound by this Agreement, (V) shall only be applicable to the Holders if all officers, directors and greater than one percent (1%) stockholders of the Company enter into similar agreements, and (VI) shall only be applicable to the shares of Common Stock or SPAC Securities issued directly or indirectly upon conversion of, or in exchange for, shares of Series G Preferred Stock in connection with a SPAC Transaction if all other Holders of Common Stock or SPAC Securities issued directly or indirectly upon conversion of, or in exchange for Preferred Stock, are subject to this Section 2.12 or enter into similar agreements with respect to such SPAC Transaction. The underwriters in connection with the Initial Offering, and the SPAC in a SPAC Transaction, are intended third-party beneficiaries of this Section 2.12 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters (in connection the Initial Offering) and the SPAC (in connection with a SPAC Transaction) that are consistent with this Section 2.12 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company, the underwriters, or the SPAC, as the case may be, shall apply to all Holders subject to such agreements pro rata based on the number of shares subject to such agreements.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other Person subject to the foregoing restriction) until the end of such period.

(b) Each Holder agrees that a legend reading substantially as follows shall be placed on all certificates representing all Registrable Securities of each Holder (and the shares or securities of every other Person subject to the restriction contained in this Section 2.12):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD AFTER THE EFFECTIVE DATE OF THE ISSUER'S REGISTRATION STATEMENT FILED UNDER THE ACT, 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 ISSUER'S PRINCIPAL OFFICE. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES.

2.13 Termination of Registration Rights. No Holder shall be entitled to exercise any right provided for in this Section 2: (a) after five (5) years following the earlier of the consummation of the Initial Offering, Direct Listing or SPAC Transaction, (b) as to any Holder, such earlier time after the Initial Offering, Direct Listing or SPAC Transaction at which such Holder (i) can sell all shares held by it in compliance with Rule 144(b)(1)(i) or (ii) holds one percent (1%) or less of the Company's outstanding Common Stock and all Registrable Securities held by such Holder (together with any Affiliate of the Holder with whom such Holder must aggregate its sales under Rule 144) can be sold in any three (3) month period without registration in compliance with Rule 144 or (c) after the consummation of a Liquidation Transaction, as that term is defined in the Restated Certificate.

3. Covenants of the Company.

3.1 Delivery of Financial Statements.

(a) The Company shall, upon request, deliver to each Investor (or transferee of an Investor) that holds at least 14,000,000 shares of Registrable Securities (appropriately adjusted for any stock split, dividend, combination or other recapitalization) (a "Major Investor"):

(i) as soon as practicable, but in any event within one hundred eighty (180) days after the end of the fiscal year 2020 of the Company, and one hundred twenty (120) days after the end of fiscal year 2021 of the Company, and each year thereafter, an income statement for such fiscal year, a balance sheet of the Company and statement of stockholders' equity as of the end of such year, and a statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles ("GAAP") (except that such financial statements may (A) be subject to normal year-end audit adjustments and (B) not contain all notes thereto that may be required in accordance with GAAP), and audited and certified by independent public accountants of nationally or regionally recognized standing selected by the Company;

(ii) as soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company, an unaudited income statement for such fiscal year, an unaudited balance sheet of the Company and statement of stockholders' equity as of the end of such year, and an unaudited statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with GAAP (except that such financial statements may (A) be subject to normal year-end audit adjustments and (B) not contain all notes thereto that may be required in accordance with GAAP);

(iii) as soon as practicable, but in any event within thirty (30) days of the end of each month, an unaudited income statement and statement of cash flows for such month, and an unaudited balance sheet and statement of stockholders' equity as of the end of such month, all prepared in accordance with GAAP (except that such financial statements may (A) be subject to normal year-end audit adjustments and (B) not contain all notes thereto that may be required in accordance with GAAP);

(iv) as soon as practicable, but in any event prior to the end of each fiscal year, a budget and business plan for the next fiscal year, approved by the Board and prepared on a quarterly basis, including balance sheets, income statements and statements of cash flows for such months and, as soon as prepared, any other budgets or revised budgets prepared by the Company;

(v) such other information relating to the financial condition, business or corporate affairs of the Company as the Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this subsection (v) or any other subsection of Section 3.1 to provide information that (A) it deems in good faith to be a trade secret or similar confidential information or (B) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel; and

(b) If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

(c) Notwithstanding anything else in this Section 3.1 to the contrary, the Company may cease providing the information set forth in this Section 3.1 during the period starting with the date thirty (30) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Section 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

3.2 Inspection. The Company shall permit each Major Investor, at such Major Investor's expense, to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Section 3.2 to provide access to any information that (A) it deems in good faith to be a trade secret or similar confidential information or (B) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 Termination of Information and Inspection Covenants. The covenants set forth in Sections 3.1 and 3.2 shall terminate and be of no further force or effect upon the earlier to occur of (a) the consummation of the sale of securities pursuant to a registration statement filed by the Company under the Act in connection with the firm commitment underwritten offering of its securities to the general public, (b) when the Company first becomes subject to the periodic reporting requirements of Sections 12(g) or 15(d) of the 1934 Act, whichever event shall first occur and (c) the consummation of a Liquidation Transaction, as that term is defined in the Restated Certificate and (d) the consummation of a SPAC Transaction.

3.4 Right of First Offer. Subject to the terms and conditions specified in this Section 3.4, the Company hereby grants to each Major Investor a right of first offer with respect to future sales by the Company of its Shares (as hereinafter defined). For purposes of this Section 3.4, the term "Major Investor" includes any general partners and Affiliates of a Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted it among itself and its partners and Affiliates in such proportions as it deems appropriate.

Each time the Company proposes to offer any shares of, or securities convertible into or exchangeable or exercisable for any shares of, its capital stock (including, without limitation, any such shares or securities issued in connection with debt securities) whether now authorized or not, and securities of any type whatsoever that are, or may become, exercisable or convertible into its capital stock ("Shares"), the Company shall first make an offering of such Shares to each Major Investor in accordance with the following provisions:

(a) The Company shall deliver a notice in accordance with Section 4.5 ("Notice") to the Major Investors stating (i) its bona fide intention to offer such Shares, (ii) the number of such Shares to be offered and (iii) the price and terms upon which it proposes to offer such Shares.

(b) By written notification received by the Company within twenty (20) calendar days after the giving of Notice, each Major Investor may elect to purchase, at the price and on the terms specified in the Notice, up to that portion of such Shares that equals the proportion that the number of shares of Registrable Securities issued and held by such Major Investor (assuming full conversion and exercise of all convertible and exercisable securities then outstanding) bears to the total number of shares of Common Stock of the Company then outstanding (assuming full conversion and exercise of all convertible and exercisable securities then outstanding). At the expiration of such twenty (20) calendar day period, the Company shall promptly, in writing, notify each Major Investor that elects to purchase all the shares available to it (a "Fully-Exercising Investor") of any other Major Investor's failure to do likewise. During

the ten (10) calendar day period commencing after the Company has given such notice to the Fully-Exercising Investors, each Fully-Exercising Investor may elect to purchase that portion of the Shares for which Major Investors were entitled to subscribe, but which were not subscribed for by the Major Investors, that is equal to the proportion that the number of shares of Registrable Securities issued and held by such Fully-Exercising Investor bears to the total number of shares of Common Stock issued and held, or issuable upon conversion of the Preferred Stock then held, by all Fully-Exercising Investors who wish to purchase some of the unsubscribed shares.

(c) If all Shares that Major Investors are entitled to obtain pursuant to Section 3.4(b) of this Agreement are not elected to be obtained as provided in Section 3.4(b) of this Agreement, the Company may, during the sixty (60) day period following the expiration of the period provided in Section 3.4(b) of this Agreement, offer the remaining unsubscribed portion of such Shares to any Person or Persons at a price not less than that, and upon terms no more favorable to the offeree than those, specified in the Notice. If the Company does not enter into an agreement for the sale of the Shares within such period, or if such agreement is not consummated within sixty (60) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Shares shall not be offered unless first reoffered to the Major Investors in accordance herewith.

(d) The right of first offer in this Section 3.4 shall not be applicable to (i) any future sales by the Company of its Shares if such Shares would not constitute "Additional Stock" as such term is defined in the Restated Certificate, or (ii) the issuance and sale of Series G Preferred Stock pursuant to the Series G Agreement, in each case that are unanimously approved by the Board. The Major Investors hereby waive, on behalf of all Major Investors, any rights under this Section 3.4 (including under any predecessor agreement) that may have entitled the Major Investors to receive notice of or to purchase any securities of the Company, in each case prior to the date of this Agreement. In addition to the foregoing, the right of first offer in this Section 3.4 shall not be applicable with respect to any Major Investor in any subsequent offering of Shares if (i) at the time of such offering, the Major Investor is not an "accredited investor," as that term is then defined in Rule 501(a) of the Act and (ii) such offering of Shares is otherwise being offered only to accredited investors.

(e) The rights provided in this Section 3.4 may not be assigned or transferred by any Major Investor; provided, however, that a Major Investor that is a venture capital fund may assign or transfer such rights to its Affiliates.

(f) The covenants set forth in this Section 3.4 shall terminate and be of no further force or effect upon the consummation of (i) a Qualified IPO or (ii) a Liquidation Transaction, as that term is defined in the Restated Certificate, (iii) a Qualified Direct Listing, as that term is defined in the Restated Certificate or (iv) a Qualified SPAC Transaction, as that term is defined in the Restated Certificate.

3.5 Proprietary Information and Inventions Agreements. The Company shall require all employees and consultants with access to confidential information to execute and deliver a Proprietary Information and Inventions Agreement in substantially the form approved by the Board or a consulting agreement containing substantially similar proprietary rights assignment and confidentiality provisions.

3.6 Employee Agreements. Unless approved by the Board, all future employees of the Company who shall purchase, or receive options to purchase, shares of Common Stock following the date hereof shall be required to execute stock purchase or option agreements providing for (a) vesting of shares over a four (4) year period with the first twenty five percent (25%) of such shares vesting following twelve (12) months of continued employment or services, and the remaining shares vesting in equal monthly installments over the following thirty six (36) months thereafter and (b) a one hundred and eighty (180)-day lockup period (plus an additional period of up to eighteen (18) days) in connection with the Initial Offering. In addition, within thirty (30) days of the date of this Agreement, the Company shall make commercially reasonable efforts to amend its existing stock option plan and option agreements so that all future employees who shall receive options to purchase shares of Common Stock shall be subject to a market stand-off provision in substantially the same form as Section 2.12 hereof. The Company shall retain a right of first refusal on transfers until the Initial Offering, Direct Listing, or SPAC Transaction and the right to repurchase unvested shares at cost.

3.7 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board by the Investors (each a "Fund Director") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their affiliates (collectively, the "Fund Indemnitors"). The Company hereby agrees (a) that it is the indemnitor of first resort (i.e., its obligations to any such Fund Director are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Fund Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Fund Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Fund Director to the extent legally permitted and as required by the Restated Certificate or Bylaws of the Company (or any agreement between the Company and such Fund Director), without regard to any rights such Fund Director may have against the Fund Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such Fund Director with respect to any claim for which such Fund Director has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Fund Director against the Company.

3.8 FCPA. The Company represents that it shall not (and shall not permit any of its subsidiaries or affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to) promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Non-U.S. Official (as (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA")), in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company shall, and shall cause any direct or indirect subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with the FCPA.

3.9 Confidentiality. Each Investor agrees, severally and not jointly, to use the same degree of care as such Investor uses to protect its own confidential information for any information obtained pursuant to this Agreement or otherwise as a stockholder of the Company which the Company identifies in writing as being proprietary or confidential and such Investor acknowledges that it will not, unless otherwise required by law or the rules of any national securities exchange, association or marketplace, disclose such information without the prior written consent of the Company except such information that (a) was in the public domain prior to the time it was furnished to such Investor, (b) is or becomes (through no willful improper action or inaction by such Investor) generally available to the public, (c) was in its possession or known by such Investor without restriction prior to receipt from the Company, (d) was rightfully disclosed to such Investor by a third party without restriction or (e) was independently developed without any use of the Company's confidential information. Notwithstanding the foregoing, each Investor that is a limited partnership or limited liability company may disclose such proprietary or confidential information to any former partners or members who retained an economic interest in such Investor, current or prospective partner of the partnership or any subsequent partnership under common investment management, limited partner, general partner, member or management company of such Investor (or any employee or representative of any of the foregoing) (each of the foregoing Persons, a "Permitted Disclosee") or legal counsel, accountants or representatives for such Investor. For the avoidance of doubt, Temasek's Permitted Disclosees shall include Ossa Investments Pte. Ltd., Temasek Holdings (Private) Limited ("Temasek Holdings"); and Temasek Holding's wholly-owned subsidiaries whose boards of directors or equivalent governing bodies comprise solely employees or nominees acting under the direction and instructions of Temasek Holdings, Temasek Pte. Ltd. (being a wholly-owned subsidiary of Temasek Holdings) and/or wholly-owned subsidiaries of Temasek Pte. Ltd., and whose principal activities are that of investment holding, financing and/or the provision of investment advisory and consultancy services. For the purposes of preceding sentence, "nominee" shall mean any person acting under the direction and instructions of Temasek Holdings, Temasek Pte. Ltd. and/or wholly owned subsidiaries of Temasek Pte. Ltd. Furthermore, nothing contained herein shall prevent any Investor or any Permitted Disclosee from (i) entering into any business, entering into any agreement with a third party, or investing in or engaging in investment discussions with any other company (whether or not competitive with the Company), provided that such Investor or Permitted Disclosee does not, except as permitted in accordance with this Section 3.9, disclose or otherwise make use of any proprietary or confidential information of the Company in connection with such activities, or (ii) making any disclosures required by law, rule, regulation or court or other governmental order. Furthermore, nothing contained herein shall prevent any Investor from making any disclosures required by law, rule, regulation (including such Investor's compliance obligations and practices and including applicable rules or regulations of a securities exchange or a similar self-regulatory organization) or court or other governmental order or process, including without limitation in connection with any regulatory review and including oral questions, interrogatories, requests for information and documents in legal proceedings, subpoena, civil investigative demand and other processes, provided that such Investor (to the extent it is legally permitted to do so) shall promptly notify the Company upon learning of any such legal requirement and provide the

Company with an opportunity to seek a protective order with respect to such confidential information. The Company will consult with the Investor regarding such protective order or other remedy and the Investor will cooperate with the Company in pursuing any such reasonable measures that the Company determines to pursue, but if a protective order or other remedy is not timely obtained by the Company, such Investor or its representative, as applicable, may without liability or breach hereunder, disclose such information as it is required to disclose under such any such law, rule, regulation, court or other governmental order or process, including any regulatory review. It is further expressly acknowledged that nothing herein shall limit or otherwise apply to disclosure by any Regulated Holder or its representatives in connection with any supervisory examination by, or communication with, any banking regulatory authority with jurisdiction over such Regulated Holder or its affiliates, and that, for the avoidance of doubt, no Regulated Holder or its representative thereof shall have any obligation to notify the Company of any such examination or communication.

3.10 Termination of Certain Covenants. The covenants set forth in Sections 3.5, 3.6, 3.7, 3.8 and 3.11 shall terminate and be of no further force or effect upon the consummation of (i) a Qualified IPO or (ii) a Liquidation Transaction, as that term is defined in the Restated Certificate, (iii) a Qualified Direct Listing, as that term is defined in the Restated Certificate, or (iv) a Qualified SPAC Transaction, as that term is defined in the Restated Certificate.

3.11 Board Observer Rights.

(a) The Company shall invite one representative of Lightspeed Venture Partners IX, L.P., a Cayman Islands exempted limited partnership (together with its affiliates, "Lightspeed") to attend all meetings of the board of directors in a nonvoting observer capacity (the "Lightspeed Board Observer") and, concurrently with the delivery to the members of the board of directors, give to such representative copies of all notices, minutes, consents and other materials that the Company provides to its directors. The Lightspeed Board Observer may be excluded from access to any materials or meetings or portions thereof if the board of directors determines in good faith that such exclusion is reasonably necessary to preserve attorney-client privilege or to protect highly confidential proprietary information. Such representative shall initially be Ravi Mhatre and Lightspeed may from time to time appoint a substitute or successor representative with the consent of the Company (not to be unreasonably withheld, delayed or conditioned).

(b) The Company shall invite one representative of Founders Fund V, LP, a Delaware limited partnership (together with its affiliates, "Founders Fund") to attend all meetings of the board of directors in a nonvoting observer capacity (the "Founders Fund Board Observer") and, concurrently with the delivery to the members of the board of directors, give to such representative copies of all notices, minutes, consents and other materials that the Company provides to its directors. The Founders Fund Board Observer may be excluded from access to any materials or meetings or portions thereof if the board of directors determines in good faith that such exclusion is reasonably necessary to preserve attorney-client privilege or to protect highly confidential proprietary information. Founders Fund may from time to time appoint a substitute or successor representative with the consent of the Company (not to be unreasonably withheld, delayed or conditioned).

(c) The Company shall invite one representative of Ossa Investments Pte. Ltd. (together with its affiliates, "Temasek") to attend all meetings of the board of directors in a nonvoting observer capacity (the "Temasek Board Observer") and, concurrently with the delivery to the members of the board of directors, give to such representative copies of all notices, minutes, consents and other materials that the Company provides to its directors. The Temasek Board Observer may be excluded from access to any materials or meetings or portions thereof if the board of directors determines in good faith that such exclusion is reasonably necessary to preserve attorney-client privilege or to protect highly confidential proprietary information. Temasek may from time to time appoint a substitute or successor representative with the consent of the Company (not to be unreasonably withheld, delayed or conditioned).

(d) The Company shall invite one representative of General Atlantic (BL), L.P. (together with its affiliates, "General Atlantic") to attend all meetings of the board of directors in a nonvoting observer capacity (the "General Atlantic Board Observer") and, concurrently with the delivery to the members of the board of directors, give to such representative copies of all notices, minutes, consents and other materials that the Company provides to its directors. The General Atlantic Board Observer may be excluded from access to any materials or meetings or portions thereof if the board of directors determines in good faith that such exclusion is reasonably necessary to preserve attorney-client privilege or to protect highly confidential proprietary information. General Atlantic may from time to time appoint a substitute or successor representative with the consent of the Company (not to be unreasonably withheld, delayed or conditioned).

(e) The Company shall invite one representative of Canapi Ventures Fund, L.P. (together with its affiliates, "Canapi") to attend all meetings of the board of directors in a nonvoting observer capacity (the "Canapi Board Observer") and, concurrently with the delivery to the members of the board of directors, give to such representative copies of all notices, minutes, consents and other materials that the Company provides to its directors. The Canapi Board Observer may be excluded from access to any materials or meetings or portions thereof if the board of directors determines in good faith that such exclusion is reasonably necessary to preserve attorney-client privilege or to protect highly confidential proprietary information. Canapi may from time to time appoint a substitute or successor representative with the consent of the Company (not to be unreasonably withheld, delayed or conditioned). Notwithstanding the foregoing, if and during such time that Canapi has the right to and has appointed a member of the Board pursuant to the Amended and Restated Voting Agreement, by and between the Company and certain of its stockholders, dated as of the date hereof, as may be amended and/or restated from time to time, then Canapi shall have no right to appoint a board observer pursuant hereto.

(f) The Company shall invite one representative of Coatue US 36 LLC (together with its Affiliates, "Coatue") to attend all meetings of the board of directors in a nonvoting observer capacity (the "Coatue Board Observer") and, concurrently with the delivery to the members of the board of directors, give to such representative copies of all notices, minutes, consents and other materials that the Company provides to its directors. The Coatue Board Observer may be excluded from access to any materials or meetings or portions thereof if the board of directors determines in good faith that such exclusion is reasonably necessary to preserve attorney-client privilege or to protect highly confidential proprietary information. Coatue may from time to time appoint a substitute or successor representative with the consent of the Company (not to be unreasonably withheld, delayed or conditioned).

In addition, the board observer rights contained in this Section 3 shall include the right to receive information and materials related to the activities of any committees of the board of directors of the Company.

4. Miscellaneous.

4.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including transferees of any shares of Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

4.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California, without giving effect to principles of conflicts of law.

4.3 Counterparts; Facsimile. This Agreement may be executed by electronic signature and in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. Counterparts may be delivered by facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

4.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

4.5 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given upon the earlier to occur of actual receipt or: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All notices and other communications shall be sent to the Company at 415 Kearny Street, San Francisco, CA 94104, Attention: CEO and to the other parties at the addresses set forth on Schedule A (or at such other addresses as shall be specified by notice given in accordance with this Section 4.5). If notice is given to Formation8 Partners Fund I, L.P., a copy shall also be sent to Latham & Watkins LLP, 140 Scott Drive, Menlo Park, CA 94025, Attn: Patrick A. Pohlen.

4.6 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

4.7 Entire Agreement; Amendment. This Agreement (including the Exhibits hereto, if any) constitutes the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof. Any term of this Agreement (other than Section 3.1, Section 3.2, Section 3.3 and Section 3.4) may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Investors holding a majority of the Registrable Securities held by Holders. The provisions of Section 3.1, Section 3.2, Section 3.3 and Section 3.4 may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Major Investors holding a majority of the Registrable Securities then held by all of the Major Investors. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each holder of any Registrable Securities, each future holder of all such Registrable Securities and the Company. Notwithstanding the foregoing:

(a) This Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination or waiver applies to all Investors in the same fashion (for clarity, any amendment or waiver of the rights of Non-Waiving Holder (as defined below) or any amendment to limit the rights under Section 3.4 to certain, but not proportionately to all, Investors is not an amendment applying to all Investors in the same fashion, unless, in each case, the Investors holding a majority of the Registrable Securities held by all Investors treated in such manner also consent to such amendment).

(b) Any waiver of Section 3.4 of this Agreement by the Major Investors holding at least a majority of the Registrable Securities then held by all of the Major Investors (the "Waiving Holders") shall not be effective as to any Major Investor who has not waived such right of first offer (a "Non-Waiving Holder") unless (A) no Waiving Holder purchases any Shares in such issuance or (B) if any Waiving Holder purchases Shares in such issuance, each Major Investor shall have been provided the opportunity to purchase up to such Major Investor's pro rata share (as calculated in the manner described in Section 3.4) of all of the Shares that are allocated for purchase by the Major Investors. For purposes of clarification, the Waiving Holders shall have the right to waive the right of first offer contained in Section 3.4 in a partial and proportionate manner such that each Major Investor that is entitled to a right of first offer pursuant to Section 3.4 is offered the opportunity to purchase its pro rata share (as calculated in the manner described in Section 3.4) of a lesser number of aggregate shares than the actual number of Shares that the Company proposes to offer generally, and any such partial and proportionate waiver shall be binding on each Major Investor whether or not such Major Investor has expressly agreed to such partial and proportionate waiver.

(c) The provisions of Section 3.11(a) and this 4.7(c) may be amended or waived either generally or in a particular instance and either retroactively or prospectively) only with the written consent of Lightspeed.

(d) The provisions of Section 3.11(b) and this 4.7(d) may be amended or waived either generally or in a particular instance and either retroactively or prospectively) only with the written consent of Founders Fund.

(e) The provisions of Section 3.11(c) and this 4.7(e) may be amended or waived either generally or in a particular instance and either retroactively or prospectively) only with the written consent of Temasek.

(f) The provisions of Section 3.11(d) and this 4.7(f) may be amended or waived either generally or in a particular instance and either retroactively or prospectively) only with the written consent of General Atlantic.

(g) The provisions of Section 3.11(e) and this 4.7(g) may be amended or waived either generally or in a particular instance and either retroactively or prospectively) only with the written consent of Canapi.

(h) The provisions of Sections 1(m)(iii) (only in the event such amendment adversely affects the rights of Coatue), 3.11(f) and this 4.7(h) may be amended or waived either generally or in a particular instance and either retroactively or prospectively) only with the written consent of Coatue.

(i) The provisions of Section 2.12 and this 4.7(i) may be amended or waived either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the holders of a majority of the outstanding Registrable Securities issued or issuable upon conversion of Series G Preferred Stock.

4.8 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

4.9 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliated entities (including affiliated venture capital funds or venture capital funds under common investment management) or Persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

4.10 Additional Investors. Notwithstanding Section 4.7, no consent shall be necessary to add additional Investors as signatories to this Agreement and to update Schedule A accordingly, provided that such Investors have purchased Series G Preferred Stock pursuant to the subsequent closing provisions of Section 1.3 of the Series G Agreement, and have signed a counterpart signature page hereto, or acquired Registrable Securities as a transferee or assignee pursuant to the provisions of Section 2.10 hereof or as a transferee of the Company's Preferred Stock acquired upon conversion of the Company's Founders Preferred Stock (as defined in the Restated Certificate). Schedule A to this Agreement shall be updated without any action of the Investors to reflect such additional Investors.

4.11 Amendment of Prior Agreement. Upon the effectiveness of this Agreement, the Prior Agreement shall be of no further force and effect, and shall be superseded and replaced in its entirety by this Agreement.

[*Remainder of page intentionally left blank*]

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

COMPANY:

BLEND LABS, INC.

By: /s/ Nima Ghamsari
Nima Ghamsari, CEO

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

INVESTOR:

JOHN CURTIUS

/s/ John Curtius

Name: John Curtius

Address: 15701 Collins Ave, North Miami Beach, FL 33160

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

INVESTOR:

TIGER GLOBAL INVESTMENTS, L.P.
By: Tiger Global Performance, LLC,
its general partner

By: /s/ Steven D. Boyd
Name: Steven D. Boyd
Title: General Counsel

TIGER GLOBAL LONG OPPORTUNITIES MASTER FUND, L.P.
By: Tiger Global Management, LLC,
Its: Investment Advisor

By: /s/ Steven D. Boyd
Name: Steven D. Boyd
Title: General Counsel

TIGER GLOBAL PIP 12 HOLDINGS, L.P.

By: /s/ Steven D. Boyd
Name: Steven D. Boyd
Title: Director

Address: 9 W 57th Street, Floor 35, New York, NY 10019

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

INVESTOR:

COATUE US 36 LLC
By: Coatue Management, L.L.C., its investment manager

By: /s/ Zachary Feingold
Name: Zachary Feingold
Title: Authorized Signatory

Address: c/o Coatue Management, L.L.C.
9 West 57th Street, 25th Floor
New York, NY 10019

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

INVESTOR:

CANAPI VENTURES FUND, L.P.
By: CenterHarbor Canapi Ventures General Partner, LLC, its general partner

By: /s/ Walker Forehand
Name: Walker Forehand
Title: Partner

CANAPI VENTURES SBIC FUND, L.P.
By: CenterHarbor Canapi Ventures SBIC General Partner LLC, its general partner

By: /s/ Walker Forehand
Name: Walker Forehand
Title: Partner

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

INVESTOR:

GREYLOCK 15 LIMITED PARTNERSHIP
GREYLOCK 15-A LIMITED PARTNERSHIP
GREYLOCK 15 PRINCIPALS LIMITED PARTNERSHIP

By: Greylock 15 GP LLC, its General Partner

By: /s/ Donald A. Sullivan
Name: Donald A. Sullivan
Title: Senior Managing Member

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

INVESTOR:

Formation8 Partners Fund I, L.P.
By: Formation8 GP, LLC
Its General Partner

By: /s/ Joe Lonsdale
Name: Joe Lonsdale
Title: Managing Member

Mailing Address: Pier 5, Suite 101
San Francisco, CA 94111

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

INVESTOR:

LIGHTSPEED VENTURE PARTNERS IX, LP

By: Lightspeed General Partner IX, L.P., its general partner
By: Lightspeed Ultimate General Partner IX, Ltd., its general partner

By: /s/ Ravi Mhatre
Name: Ravi Mhatre
Title:

LIGHTSPEED VENTURE PARTNERS SELECT, L.P.

By: Lightspeed General Partner Select, L.P., its general partner

By: Lightspeed Ultimate General Partner Select, Ltd., its general partner

Name: /s/ Ravi Mhatre
Title: Duly authorized signatory

Address: Lightspeed Venture Partners
2200 Sand Hill Road
Menlo Park, CA 94025
T: 650-234-8300
F: 650-234-8333

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

INVESTOR:

LIGHTSPEED VENTURE PARTNERS SELECT III, L.P.

By: Lightspeed General Partner Select III, L.P.,
its general partner

By: Lightspeed Ultimate General Partner Select III, Ltd.,
its general partner

By: /s/ Ravi Mhatre
Title: Duly authorized signatory

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

INVESTOR:

8VC CO-INVEST FUND I, L.P.
By: 8VC Co-Invest GP I, LLC
Its General Partner

By: /s/ Ian M. Shannon
Name: Ian M. Shannon
Title: Authorized Signatory

Address: Pier 5, Suite 101
San Francisco, CA 94111

Email:

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

INVESTOR:

OSSA INVESTMENTS PTE. LTD.

By: /s/ Png Chin Yee
Name: Png Chin Yee
Title: Authorized Signatory

Email:

Address: 60B Orchard Road
#06-18 Tower 2
The Atrium @ Orchard
Singapore 238891

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

THE FOUNDERS FUND V, LP

By: The Founders Fund V Management, LLC
Its: General Partner

By /s/ Trae Stephens
Name: Trae Stephens
Title: Partner

THE FOUNDERS FUND V PRINCIPALS FUND, LP

By: The Founders Fund V Management, LLC
Its: General Partner

By /s/ Trae Stephens
Name: Trae Stephens
Title: Partner

THE FOUNDERS FUND V ENTREPRENEURS FUND, LP

By: The Founders Fund V Management, LLC
Its: General Partner

By /s/ Trae Stephens
Name: Trae Stephens
Title: Partner

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

INVESTOR:

THE FOUNDERS FUND VI, LP

By: The Founders Fund VI Management, LLC
Its: General Partner

By /s/ Trae Stephens
Name: Trae Stephens
Title: Partner

THE FOUNDERS FUND VI PRINCIPALS FUND, LP

By: The Founders Fund VI Management, LLC
Its: General Partner

By /s/ Trae Stephens
Name: Trae Stephens
Title: Partner

THE FOUNDERS FUND VI ENTREPRENEURS FUND, LP

By: The Founders Fund VI Management, LLC
Its: General Partner

By /s/ Trae Stephens
Name: Trae Stephens
Title: Partner

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

INVESTOR:

EMERGENCE CAPITAL PARTNERS IV, L.P.
By: EMERGENCE EQUITY PARTNERS IV, L.P.
its General Partner

By: EMERGENCE GP PARTNERS, LLC
its General Partner

By: /s/ Kevin Spain
Name: Kevin Spain
Title: Authorized Signatory

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

INVESTOR:

GOLDCREST CAPITAL, LP

By: Goldcrest Capital GP, LP
Its: General Partner

By: Goldcrest Capital GP, LLC
Its: General Partner

By: /s/ Daniel Friedland
Name: Daniel Friedland
Title: Manager
Address: 5956 Sherry Lane, Suite 930
Dallas, TX 75225

GOLDCREST CAPITAL QP, LP

By: Goldcrest Capital GP, LP
Its: General Partner

By: Goldcrest Capital GP, LLC
Its: General Partner

By: /s/ Daniel Friedland
Name: Daniel Friedland
Title: Manager

Address: 5956 Sherry Lane, Suite 930
Dallas, TX 75225

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

INVESTOR:

NYCA INVESTMENT PARTNERSHIP, LP

By: /s/ Ravi Mohan
Name: Ravi Mohan
Title: Partner & COO

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

INVESTOR:

NYCA INVESTMENT FUND, LP

By: /s/ Ravi Mohan
Name: Ravi Mohan
Title: Partner & COO

Address: 485 Madison Avenue, 12th Floor
New York, NY 10022

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

INVESTOR:

NYCA FUND-BL, LP

By: /s/ Ravi Mohan
Name: Ravi Mohan
Title: Partner & COO

Address: 485 Madison Avenue, 12th Floor
New York, NY 10022

Email:

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

INVESTOR:

ERIC WU

By: /s/ Eric Wu
Name: Eric Wu

Address: 2611 Divisadero Street
San Francisco, CA 94123

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

INVESTOR:

OWL ROCK TECHNOLOGY FINANCE CORP.

By: /s/ Alexis Maged
Name: Alexis Maged
Title: Authorized Signatory

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

INVESTOR:

OWL ROCK CAPITAL CORPORATION

By: /s/ Alexis Maged
Name: Alexis Maged
Title: Authorized Signatory

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

INVESTOR:

OWL ROCK OPPORTUNISTIC MASTER FUND II, L.P.

By: /s/ Alexis Maged
Name: Alexis Maged
Title: Authorized Signatory

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

INVESTOR:

HUNTINGTON EQUITY INVESTMENTS, LLC

By: /s/ David Abshier
Name: David Abshier
Title: Sr. Vice President

SCHEDULE A

SCHEDULE OF INVESTORS

The Founders Fund V, LP
The Founders Fund V Entrepreneurs Fund, LP
The Founders Fund V Principals Fund, LP
Lightspeed Venture Partners IX, L.P.
Lightspeed Venture Partners Select, L.P.
Lightspeed Venture Partners Select III, L.P.
Formation8 Partners Fund I, L.P.
Goldcrest Capital, LP
Goldcrest Capital QP, LP
Kristoffer Duggan
Jeffrey Lonsdale
Clara Sieg
Daniel Friedland
Elizabeth Louise Miller
Patrick W. Clougherty Trust and Anne M. Clougherty Trust, Tenants in Common
Thomas D. Coan and Maria J. Coan
Goldcrest Investments, LP
Thrive Capital Partners II, L.P.
G&H Partners
Katie Anderson
a16z Seed-III, LLC
Thomas Fenner
WGI Group, LLC
CKE Associates LLC
Rivendell Investments 3 LLC
SV Angel III LP
Alexander Fishman
Mathew A. Long
Allen & Company LLC
Doug Bergeron
Conversion Capital Fund, LP
Inskit Ventures LLC
Lawrence Evans
Vivian Maese Bannon
Initialized II, LP
HVF Investments, LLC
SSC Venture Fund, LLC
Nyca Investment Partnership, LP
Nyca Investment Fund, LP
Rivendell Investments 3 LLC
Legacy Worldwide Investments, Ltd.
LF Ventures LLC

Berggruen Holdings North America, Ltd
Conversion Capital Fund II, LP
Robert Glenn Hubbard
Richard Witten
Rick Rieder
Peter Cherasia
Convexity I, LLC
Greylock 15 Limited Partnership
Greylock 15-A Limited Partnership
Greylock 15 Principals Limited Partnership
Saam Motamedi
Emergence Capital Partners IV, L.P.
Wells Fargo Central Pacific Holdings, Inc.
Fifth Wall Ventures, L.P.
Fifth Wall Ventures SPV VII, L.P.
Salesforce Ventures LLC
Ossa Investments Pte. Ltd.
General Atlantic (BL), L.P.
Empros Consumer Financial Technologies Fund, LLC
8VC Co-Invest Fund I, L.P.
Twin Gables 2014 LLC
BL Fund I, a series of Stonebridge Alpha, LP
Nyca Fund-BL, LP
The Founders Fund VI, LP
The Founders Fund VI Entrepreneurs Fund, LP
The Founders Fund VI Principals Fund, LP
Fifth Wall Ventures, L.P.
Bank of Montreal
G Squared IV, LP
Empros Consumer Financial Technologies Fund, LLC
Gaudium LLC
JAWS Equity Owner 123, LLC
Canapi Ventures Fund, L.P.
Canapi Ventures SBIC Fund, L.P.
Oak HC/FT Partners III, L.P.
Huntington Equity Investments, LLC
Oakstone Ventures, Inc.
Coatue US 36 LLC
Tiger Global Private Investment Partners XII, L.P.
Tiger Global Investments, L.P.
Tiger Global Long Opportunities Master Fund, L.P.
John Curtius
Eric Wu
Owl Rock Technology Finance Corp.
Owl Rock Capital Corporation
Owl Rock Opportunistic Master Fund II, L.P.

Exhibit 10.3

BLEND LABS, INC.

2012 STOCK PLAN

ADOPTED ON MAY 1, 2012

AMENDED ON JUNE 16, 2021

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SECTION 1. ESTABLISHMENT AND PURPOSE.

The purpose of this Plan is to offer persons selected by the Company an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by acquiring Shares of the Company's Stock. The Plan provides for the direct award or sale of Shares, for the grant of Options to purchase Shares, and for the grant of Restricted Stock Units to acquire Shares. Options granted under the Plan may be ISOs intended to qualify under Code Section 422 or Nonstatutory Options which are not intended to so qualify.

Capitalized terms are defined in Section 15.

SECTION 2. ADMINISTRATION.

(a) Committees of the Board of Directors. The Plan may be administered by one or more Committees. Each Committee shall consist, as required by applicable law, of one or more members of the Board of Directors who have been appointed by the Board of Directors. Each Committee shall have such authority and be responsible for such functions as the Board of Directors has assigned to it. If no Committee has been appointed, the entire Board of Directors shall administer the Plan. Any reference to the Board of Directors in the Plan or an Award Agreement shall be construed as a reference to the Committee (if any) to whom the Board of Directors has assigned a particular function.

(b) Authority of the Board of Directors. Subject to the provisions of the Plan, the Board of Directors shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. Notwithstanding anything to the contrary in the Plan, with respect to the terms and conditions of awards granted to Participants outside the United States, the Board of Directors may vary from the provisions of the Plan to the extent it determines it necessary and appropriate to do so; provided that it may not vary from those Plan terms requiring stockholder approval pursuant to Section 14(d) below. All decisions, interpretations and other actions of the Board of Directors shall be final and binding on all Participants and all persons deriving their rights from a Participant.

SECTION 3. ELIGIBILITY.

(a) General Rule. Only Employees, Outside Directors and Consultants shall be eligible for the grant of Awards. However, only Employees shall be eligible for the grant of ISOs.

(b) Ten-Percent Stockholders. A person who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries shall not be eligible for the grant of an ISO unless (i) the Exercise Price is at least 110% of the Fair Market Value of a Share on the Date of Grant and (ii) such ISO by its

terms is not exercisable after the expiration of five years from the Date of Grant. For purposes of this Subsection (b), in determining stock ownership, the attribution rules of Code Section 424(d) shall be applied.

SECTION 4. STOCK SUBJECT TO PLAN.

(a) Basic Limitation. Not more than 15,000,000 Shares may be issued under the Plan, subject to Subsection (b) below and Section 9(a).[1] All of these Shares may be issued upon the exercise of ISOs. The number of Shares that are subject to Awards or other rights outstanding at any time under the Plan may not exceed the number of Shares that then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan. Shares offered under the Plan may be authorized but unissued Shares or treasury Shares.

(b) Additional Shares. In the event that Shares previously issued under the Plan are reacquired by the Company, such Shares shall be added to the number of Shares then available for issuance under the Plan. In the event that Shares that otherwise would have been issuable under the Plan are withheld by the Company in payment of the Purchase Price, Exercise Price or withholding taxes, such Shares shall remain available for issuance under the Plan. In the event that an outstanding Option, Restricted Stock Unit or other right for any reason expires, is forfeited, or is canceled, the Shares allocable to the unexercised or unsettled portion of such Option, Restricted Stock Unit, or other right shall be added to the number of Shares then available for issuance under the Plan.

SECTION 5. TERMS AND CONDITIONS OF AWARDS OR SALES.

(a) Stock Grant or Purchase Agreement. Each award of Shares under the Plan shall be evidenced by a Stock Grant Agreement between the Grantee and the Company. Each sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Stock Purchase Agreement between the Purchaser and the Company. Such award or sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Stock Grant Agreement or Stock Purchase Agreement. The provisions of the various Stock Grant Agreements and Stock Purchase Agreements entered into under the Plan need not be identical.

(b) Duration of Offers and Nontransferability of Rights. Any right to purchase Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Purchaser within 30 days (or such other period as may be specified in the Award Agreement) after the grant of such right was communicated to the Purchaser by the Company. Such right is not transferable and may be exercised only by the Purchaser to whom such right was granted.

[1] Please refer to Exhibit A for a schedule of the initial share reserve and any subsequent increases in the reserve.

(c) Purchase Price. The Board of Directors shall determine the Purchase Price of Shares, if any, to be offered under the Plan at its sole discretion. The Purchase Price shall be payable in a form described in Section 8.

SECTION 6. TERMS AND CONDITIONS OF OPTIONS.

(a) Stock Option Agreement. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. The Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Board of Directors deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) Number of Shares. Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 9. The Stock Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(c) Exercise Price. Each Stock Option Agreement shall specify the Exercise Price. The Exercise Price of an Option shall not be less than 100% of the Fair Market Value of a Share on the Date of Grant, and in the case of an ISO a higher percentage may be required by Section 3(b). Subject to the preceding sentence, the Exercise Price shall be determined by the Board of Directors at its sole discretion. The Exercise Price shall be payable in a form described in Section 8. This Subsection (c) shall not apply to an Option granted pursuant to an assumption of, or substitution for, another option in a manner that complies with Code Section 424(a) (whether or not the Option is an ISO).

(d) Exercisability. Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become exercisable. No Option shall be exercisable unless the Optionee (i) has delivered an executed copy of the Stock Option Agreement to the Company or (ii) otherwise agrees to be bound by the terms of the Stock Option Agreement. The Board of Directors shall determine the exercisability provisions of the Stock Option Agreement at its sole discretion.

(e) Basic Term. The Stock Option Agreement shall specify the term of the Option. The term shall not exceed 10 years from the Date of Grant, and in the case of an ISO, a shorter term may be required by Section 3(b). Subject to the preceding sentence, the Board of Directors at its sole discretion shall determine when an Option is to expire.

(f) Termination of Service (Except by Death). If an Optionee's Service terminates for any reason other than the Optionee's death, then the Optionee's Options shall expire on the earliest of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability, or such earlier or later date as the Board of Directors may determine (but in no event earlier than 30 days after the termination of the Optionee's Service); or

(iii) The date six months after the termination of the Optionee's Service by reason of Disability, or such later date as the Board of Directors may determine.

The Optionee may exercise all or part of the Optionee's Options at any time before the expiration of such Options under the preceding sentence, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination). The balance of such Options shall lapse when the Optionee's Service terminates. In the event that the Optionee dies after the termination of the Optionee's Service but before the expiration of the Optionee's Options, all or part of such Options may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination).

(g) Death of Optionee. If an Optionee dies while the Optionee is in Service, then the Optionee's Options shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above; or

(ii) The date 12 months after the Optionee's death, or such earlier or later date as the Board of Directors may determine (but in no event earlier than six months after the Optionee's death).

All or part of the Optionee's Options may be exercised at any time before the expiration of such Options under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's death (or became exercisable as a result of the death) and the underlying Shares had vested before the Optionee's death (or vested as a result of the Optionee's death). The balance of such Options shall lapse when the Optionee dies.

(h) No Rights as a Stockholder. An Optionee, or a transferee of an Optionee, shall have no rights as a stockholder with respect to any Shares covered by the Optionee's Option until such person becomes entitled to receive such Shares by filing a notice of exercise and paying the Exercise Price pursuant to the terms of such Option.

(i) Modification, Extension and Assumption of Options; Exchange Program. Within the limitations of the Plan, the Board of Directors may modify, extend or

assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or another issuer) in return for the grant of new Options or a different type of award for the same or a different number of Shares and at the same or a different Exercise Price (if applicable). The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the Optionee's obligations under such Option. The Board of Directors may institute and determine the terms and conditions of an Exchange Program.

(j) Company's Right to Cancel Certain Options. Any other provision of the Plan or a Stock Option Agreement notwithstanding, the Company shall have the right at any time to cancel an Option that was not granted in compliance with Rule 701 under the Securities Act. Prior to canceling such Option, the Company shall give the Optionee not less than 30 days' notice in writing. If the Company elects to cancel such Option, it shall deliver to the Optionee consideration with an aggregate Fair Market Value equal to the excess of (i) the Fair Market Value of the Shares subject to such Option as of the time of the cancellation over (ii) the Exercise Price of such Option. The consideration may be delivered in the form of cash or cash equivalents, in the form of Shares, or a combination of both. If the consideration would be a negative amount, such Option may be cancelled without the delivery of any consideration.

SECTION 7. TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS.

(a) General. Restricted Stock Units may be granted at any time and from time to time as determined by the Board of Directors. After the Board of Directors determines that it shall grant Restricted Stock Units, it shall advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Board of Directors shall set vesting criteria, if any, in its discretion, which, depending on the extent to which the criteria are met, shall determine the number of Restricted Stock Units that shall be paid out to the Participant. The Board of Directors may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the Board of Directors in its discretion.

(c) Earning Restricted Stock Units. Upon meeting any applicable vesting criteria, the Participant shall be entitled to receive a payout as determined by the Board of Directors. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Board of Directors, in its sole discretion, may reduce or waive any vesting criteria that must be met to earn the Restricted Stock Units.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units shall be made at the time(s) determined by the Board of Directors and set forth in the Award Agreement. Unless otherwise provided in the Award Agreement, the Board of Directors, in its sole discretion, may settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units shall be forfeited to the Company.

SECTION 8. PAYMENT FOR SHARES.

(a) General Rule. The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash or cash equivalents at the time when such Shares are purchased, except as otherwise provided in this Section 8. In addition, the Board of Directors in its sole discretion may also permit payment through any of the methods described in (b) through (g) below:

(b) Services Rendered. Shares may be awarded under the Plan in consideration of services rendered to the Company, a Parent or a Subsidiary prior to the award.

(c) Promissory Note. All or a portion of the Purchase Price or Exercise Price (as the case may be) of Shares issued under the Plan may be paid with a full-recourse promissory note. The Shares shall be pledged as security for payment of the principal amount of the promissory note and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Board of Directors (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

(d) Surrender of Stock. All or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when the Option is exercised.

(e) Exercise/Sale. If the Stock is publicly traded, all or part of the Exercise Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company.

(f) Net Exercise. An Option may permit exercise through a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issued upon exercise by the largest whole number of Shares having an aggregate Fair Market Value (determined by the Board of Directors as of the exercise date) that does not exceed the aggregate Exercise Price or the sum of the aggregate Exercise Price plus all or a portion of the minimum amount required to be withheld under applicable tax law (with the Company accepting from the Optionee payment of cash or cash equivalents to satisfy any remaining balance of the aggregate Exercise Price and, if applicable, any additional withholding obligation not satisfied through such reduction in Shares); *provided* that to the extent Shares subject to an Option are withheld in this manner, the number of Shares subject to the Option following the net exercise will be reduced by the sum of the number of Shares withheld and the number of Shares delivered to the Optionee as a result of the exercise.

(g) Other Forms of Payment. To the extent that an Award Agreement so provides, the Purchase Price or Exercise Price of Shares issued under the Plan may be paid in any other form permitted by the Delaware General Corporation Law, as amended, including, but not limited to, pursuant to a cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan.

SECTION 9. ADJUSTMENT OF SHARES.

(a) General. In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a combination or consolidation of the outstanding Stock into a lesser number of Shares, a reclassification, or any other increase or decrease in the number of issued shares of Stock effected without receipt of consideration by the Company, proportionate adjustments shall automatically be made in each of (i) the number and kind of Shares available for future grants under Section 4, (ii) the number and kind of Shares covered by each outstanding Award, (iii) the Exercise Price under each outstanding Option and the Purchase Price applicable to any unexercised stock purchase right, and (iv) any repurchase price that applies to Shares granted under the Plan pursuant to the terms of a Company repurchase right under the applicable Award Agreement. In the event of a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of the Stock, a recapitalization, a spin-off, or a similar occurrence, the Board of Directors at its sole discretion may make appropriate adjustments in one or more of the items listed in clauses (i) through (iv) above; provided, however, that the Board of Directors shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code. No fractional Shares shall be issued under the Plan as a result of an adjustment under this Section 9(a), although the Board of Directors in its sole discretion may make a cash payment in lieu of fractional Shares.

(b) Corporate Transactions. In the event that the Company is a party to a merger or consolidation (and for purposes of the Plan, any reference herein to a merger or consolidation will also include a Change in Control), or in the event of a sale of all or substantially all of the Company's stock or assets, all Shares acquired under the Plan and all Awards outstanding on the effective date of the transaction shall be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which the Company is party, in the manner determined by the Board of Directors in its capacity as administrator of the Plan, with such determination having final and binding effect on all parties), which agreement or determination need not treat all Awards (or all portions of an Award) in an identical manner. The treatment specified in the transaction agreement may include (without limitation) one or more of the following with respect to each outstanding Award:

(i) Continuation of the Award by the Company (if the Company is the surviving corporation).

(ii) Assumption of the Award by the surviving corporation or its parent and for Options, in a manner that complies with Code Section 424(a) (whether or not the Option is an ISO).

(iii) Substitution by the surviving corporation or its parent of a new award for the Award and for Options, in a manner that complies with Code Section 424(a) (whether or not the Option is an ISO).

(iv) Cancellation of the Award and a payment to the Participant with respect to each Share subject to the portion of the Award that is vested as of the transaction date equal to the excess of (A) the value, as determined by the Board of Directors in its absolute discretion, of the property (including cash) received by the holder of a share of Stock as a result of the transaction, over (B) the per-Share Exercise Price of the Award, if any (such excess, the "Spread"). Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent having a value equal to the Spread. In addition, any escrow, holdback, earn-out or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Stock. If the Spread applicable to an Award is zero or a negative number, then the Award may be cancelled without making a payment to the Participant.

(v) Suspension of the Participant's right to exercise the Award, if applicable, during a limited period of time preceding the closing of the transaction if such suspension is administratively necessary to permit the closing of the transaction.

(vi) Termination of any right the Optionee has to exercise the Option prior to vesting in the Shares subject to the Option (i.e., "early exercise"), such that following the closing of the transaction the Option may only be exercised to the extent it is vested.

For the avoidance of doubt, the Board of Directors has discretion to accelerate, in whole or part, the vesting and exercisability of an Award in connection with a corporate transaction covered by this Section 9(b).

In the event that the successor corporation does not assume or substitute for the Award (or portion thereof), the Participant shall fully vest in and have the right to exercise all of his or her outstanding Options, including Shares as to which such Options would not otherwise be vested or exercisable, all restrictions on Shares and Restricted Stock Units shall lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria shall be deemed achieved at 100% of target levels and all other terms and conditions met, in all cases, unless specifically provided otherwise under the applicable Award Agreement or other written agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable. In addition, if an Option is not assumed or substituted in the event of a merger or consolidation, the Board of Directors shall notify the Participant in writing or electronically that the Option shall be exercisable for a period of time determined by the Board of Directors in its sole discretion, and the Option shall terminate upon the expiration of such period.

For the purposes of this subsection 9(b), an Award shall be considered assumed if, following the merger or consolidation, the Award confers the right to purchase or receive, for each Share

subject to the Award immediately prior to the merger or consolidation, the consideration (whether stock, cash, or other securities or property) received in the merger or consolidation by holders of Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or consolidation is not solely common stock of the successor corporation or its Parent, the Board of Directors may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or upon the payout of an Award, for each Share subject to such Award, to be solely common stock of the successor corporation or its parent equal in fair market value to the per share consideration received by holders of Stock in the merger or consolidation.

Notwithstanding anything in this Section 9(b) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals shall not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent, in all cases, unless specifically provided otherwise under the applicable Award Agreement or other written agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable; provided, however, a modification to such performance goals only to reflect the successor corporation's post-change in control corporate structure shall not be deemed to invalidate an otherwise valid Award assumption.

Notwithstanding anything in this Section 9(b) to the contrary, and unless otherwise provided in an Award Agreement, if an Award that vests, is earned or paid-out under the Plan or an Award Agreement is subject to Code Section 409A and if the change in control definition contained in the Plan or Award Agreement does not comply with the definition of "change of control" for purposes of a distribution under Code Section 409A, then any payment of an amount that is otherwise accelerated under this Section shall be delayed until the earliest time that such payment would be permissible under Code Section 409A without triggering any penalties applicable under Section 409A.

(c) Reservation of Rights. Except as provided in this Section 9, a Participant shall have no rights by reason of (i) any subdivision or consolidation of shares of stock of any class, (ii) the payment of any dividend, or (iii) any other increase or decrease in the number of shares of stock of any class. Any issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Award. The grant of an Award pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 10. PRE-EXERCISE INFORMATION REQUIREMENT.

(a) Application of Requirement. If and as required (i) pursuant to Rule 701 of the Securities Act, if the Company is relying on the exemption from registration provided pursuant to Rule 701 of the Securities Act with respect to the applicable Award, and/or (ii)

pursuant to Rule 12h-1(f) of the Exchange Act, to the extent the Company is relying on the Rule 12h-1(f) Exemption, then during the period of reliance on the applicable exemption and in each case of (i) and (ii) until such time as the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company shall provide to each Participant the information described in Rule 701 (e)(3), (4), and (5) under the Securities Act not less frequently than every six months and the financial statements included in such information shall not be more than 180 days old and with such information provided either by physical or electronic delivery to the Participants or by written notice to the Participants of the availability of the information on an Internet site that may be password-protected and of any password needed to access the information. The Company may request that Participants agree to keep the information to be provided pursuant to this section confidential. If a Participant does not agree to keep the information to be provided pursuant to this Section confidential, then the Company shall not be required to provide such information unless otherwise required pursuant to Rule 12h-1(f)(1) under the Exchange Act (if the Company is relying on the Rule 12h-1(f) Exemption) or Rule 701 of the Securities Act (if the Company is relying on the exemption pursuant to Rule 701 of the Securities Act).

SECTION 11. TAX WITHHOLDING.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), the Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Board of Directors, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by such methods as the Board of Directors shall determine, including, without limitation, (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum statutory amount required to be withheld or such greater amount as the Board of Directors may determine if such amount would not have adverse accounting consequences, as the Board of Directors determines in its sole discretion, (iii) delivering to the Company already-owned Shares having a fair market value equal to the statutory amount required to be withheld or such greater amount as the Board of Directors may determine, in each case, provided the delivery of such Shares shall not result in any adverse accounting consequences, as the Board of Directors determines in its sole discretion, (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Board of Directors may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld, (v) such other consideration and method of payment for the meeting of tax withholding obligations as the Board of Directors may determine to the extent permitted by Applicable Laws, or (vi) any combination of the foregoing methods of payment. The amount of the withholding requirement shall be deemed to include any amount which the Board of Directors agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined or such

greater amount as the Board of Directors may determine if such amount would not have adverse accounting consequences, as the Board of Directors determines in its sole discretion. The fair market value of the Shares to be withheld or delivered shall be determined as of the date that the taxes are required to be withheld.

SECTION 12. LIMITED TRANSFERABILITY OF AWARDS.

(a) Pre-Exercise Restrictions on Transfer of Award. Unless determined otherwise by the Board of Directors, an Award shall be transferable by the Participant only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. If the applicable Stock Option Agreement so provides, a Nonstatutory Option shall also be transferable by gift or domestic relations order to a Family Member of the Optionee. An ISO may be exercised during the lifetime of the Optionee only by the Optionee or by the Optionee's guardian or legal representative. In addition, an Option shall comply with all conditions of Rule 12h-1(f)(1) under the Exchange Act until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. Such conditions include, without limitation, the transferability restrictions set forth in Rule 12h-1(f)(1)(iv) and (v) under the Exchange Act, which shall apply to an Option and, prior to exercise, to the Shares to be issued upon exercise of such Option during the period commencing on the Date of Grant and ending on the earlier of (i) the date when the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or (ii) the date when the Company makes a determination that it shall cease to rely on the exemption afforded by Rule 12h-1(f)(1) under the Exchange Act. During such period, an Option and, prior to exercise, the Shares to be issued upon exercise of such Option shall be restricted as to any pledge, hypothecation or other transfer by the Optionee, including any short position, any "put equivalent position" (as defined in Rule 16a-1(h) under the Exchange Act) or any "call equivalent position" (as defined in Rule 16a-1(b) under the Exchange Act).

SECTION 13. MISCELLANEOUS PROVISIONS.

(a) Securities Law Requirements. Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all Applicable Laws. The Company shall not be liable for a failure to issue Shares that is attributable to such requirements.

(b) No Retention Rights. Nothing in the Plan or in Award granted under the Plan shall confer upon the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) Treatment as Compensation. Any compensation that an individual earns or is deemed to earn under this Plan shall not be considered a part of his or her compensation for purposes of calculating contributions, accruals or benefits under any other plan or program that is maintained or funded by the Company, a Parent or a Subsidiary.

(d) Leaves of Absence. Unless the Board of Directors provides otherwise, Service shall be deemed to continue while the Participant is on a bona fide leave of absence, if such leave was approved by the Company in writing and if continued crediting of Service for this purpose is expressly required by the terms of such leave or by Applicable Law (as determined by the Company).

(e) Governing Law. The Plan and all awards, sales and grants under the Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

(f) Conditions and Restrictions on Shares / Forfeiture Events. Shares issued under the Plan shall be subject to such forfeiture conditions, rights of repurchase, rights of first refusal, other transfer restrictions and such other terms and conditions as the Board of Directors may determine. Such conditions and restrictions shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally. In addition, Shares issued under the Plan shall be subject to conditions and restrictions imposed either by Applicable Law or by Company policy, as adopted from time to time, designed to ensure compliance with Applicable Laws or laws with which the Company determines in its sole discretion to comply including in order to maintain any statutory, regulatory or tax advantage. The Board of Directors may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to the reduction, cancellation, forfeiture, or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Notwithstanding any provisions to the contrary under this Plan, an Award shall be subject to the Company's clawback policy as may be established and/or amended from time to time (the "**Clawback Policy**"). The Board of Directors may require a Participant to forfeit, return, or reimburse the Company all or a portion of the Award and any amounts paid thereunder pursuant to the terms of the Clawback Policy or as necessary or appropriate to comply with Applicable Laws.

(g) Section 409A. Unless otherwise expressly set forth in an Award Agreement, it is intended that Awards granted under the Plan shall be exempt from Code Section 409A, and any ambiguity in the terms of an Award Agreement and the Plan shall be interpreted consistently with this intent. To the extent an Award is not exempt from Code Section 409A (any such award, a "**409A Award**"), any ambiguity in the terms of such Award and the Plan shall be interpreted in a manner that to the maximum extent permissible supports the Award's compliance with the requirements of that statute. Notwithstanding anything to the contrary permitted under the Plan, in no event shall a modification of an Award not already subject to Code Section 409A be given effect if such modification would cause the Award to become subject to Code Section 409A unless the parties explicitly acknowledge and consent to the modification as one having that effect. A 409A Award shall be subject to such additional rules and requirements as specified by the Board of Directors from time to time in order for it to comply with the requirements of Code Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" to an individual who is considered a "specified employee" (as each term is defined under Code Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Participant's separation from service or (ii) the Participant's death, but only to the extent such

delay is necessary to prevent such payment from being subject to Section 409A(a)(1). In addition, if a transaction subject to Section 9(b) constitutes a payment event with respect to any 409A Award, then the transaction with respect to such award must also constitute a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Code Section 409A. Neither the Company nor any member of the Board of Directors shall have any liability to a Participant in the event an award held by the Participant fails to achieve its intended characterization under applicable tax law.

SECTION 14. DURATION AND AMENDMENTS; STOCKHOLDER APPROVAL.

(a) Term of the Plan. The Plan, as set forth herein, shall become effective on the date of its adoption by the Board of Directors, subject to approval of the Company's stockholders under Subsection (d) below. The Plan shall terminate automatically 10 years after the later of (i) the date when the Board of Directors adopted the Plan or (ii) the date when the Board of Directors approved the most recent increase in the number of Shares reserved under Section 4 that was also approved by the Company's stockholders. The Plan may be terminated on any earlier date pursuant to Subsection (b) below.

(b) Right to Amend or Terminate the Plan. Subject to Subsection (d) below, the Board of Directors may amend, suspend or terminate the Plan at any time and for any reason.

(c) Effect of Amendment or Termination. No Shares shall be issued or sold and no Award granted under the Plan after the termination thereof, except upon exercise or settlement of an Award granted under the Plan prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Award previously granted under the Plan.

(d) Stockholder Approval. To the extent required by applicable law, the Plan will be subject to approval of the Company's stockholders within 12 months of its adoption date. To the extent required by applicable law, any amendment of the Plan will be subject to the approval of the Company's stockholders within 12 months of the amendment date if it (i) increases the number of Shares available for issuance under the Plan (except as provided in Section 9), or (ii) materially changes the class of persons who are eligible for the grant of ISOs. In addition, an amendment effecting any other material change to the Plan terms will be subject to approval of the Company's stockholder only if required by Applicable Law. Stockholder approval shall not be required for any other amendment of the Plan.

SECTION 15. DEFINITIONS.

(a) "**Applicable Laws**" means the legal and regulatory requirements relating to the administration of equity-based awards, including but not limited to the related issuance of Shares under U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Stock is listed or quoted and, only to the extent applicable with respect to an Award or Awards, the tax, securities, exchange control, and other laws of any jurisdictions other than the United States where Awards are, or will be, granted under the Plan. Reference to a section of an Applicable Law or regulation related to that

section shall include such section or regulation, any valid regulation issued under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(b) "**Award**" means any award granted under the Plan, including as an Option, an award of Restricted Stock Units, or the grant or sale of Shares.

(c) "**Award Agreement**" means a Restricted Stock Unit Agreement, Stock Grant Agreement, Stock Option Agreement or Stock Purchase Agreement.

(d) "**Board of Directors**" means the Board of Directors of the Company, as constituted from time to time.

(e) "**Change in Control**" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("**Person**"), acquires ownership of the stock of the Company that, with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, that for this subsection, the acquisition of additional stock by any one Person, who prior to such acquisition is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control and provided, further, that any change in the ownership of the stock of the Company as a result of a private financing of the Company that is approved by the Board of Directors also will not be considered a Change in Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of 50% or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event shall not be considered a Change in Control under this Section 2(e)(i). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(ii) A change in the effective control of the Company which occurs on the date a majority of members of the Board of Directors is replaced during any 12-month period by members of the Board of Directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors prior to the appointment or election. For purposes of this Section 2(e)(ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, that for this Section 2(e)(iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets:

a. a transfer to an entity controlled by the Company's stockholders immediately after the transfer, or

b. a transfer of assets by the Company to:

1. a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock,

2. an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company,

3. a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or

4. an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in Section 2(e)(iii)(b)(1) to Section 2(e)(iii)(b)(3).

For this definition, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this Section 2(e), persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. For the avoidance of doubt, wholly-owned subsidiaries of the Company shall not be considered "Persons" for purposes of this Section 2(e).

(iv) A transaction will not be a Change in Control:

a. unless the transaction qualifies as a change in control event within the meaning of Code Section 409A; or

b. if its primary purpose is to (1) change the jurisdiction of the Company's incorporation, or (2) create a holding company owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(f) "**Code**" means the Internal Revenue Code of 1986, as amended.

(g) "**Committee**" means a committee of the Board of Directors, as described in Section 2(a).

(h) "**Company**" means Blend Labs, Inc., a Delaware corporation.

(i) "**Consultant**" means any natural person engaged by the Company or any Parent or Subsidiary to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities. A Consultant must be a person to whom the issuance of Shares registered on Form S-8 under the Securities Act is permitted.

(j) "**Date of Grant**" means the date of grant specified in the applicable Award Agreement, which date shall be the later of (i) the date on which the Board of Directors resolved to grant the Award or (ii) the first day of the Participant's Service.

(k) "**Disability**" means that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment.

(l) "**Employee**" means any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

(m) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(n) "**Exchange Program**" means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, (ii) the Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Board of Directors, and/or (iii) the exercise price of an outstanding Award is reduced or increased. The Board of Directors shall determine the terms and conditions of any Exchange Program in its sole discretion.

(o) "**Exercise Price**" means the amount for which one Share may be purchased upon exercise of an Option, as specified by the Board of Directors in the applicable Stock Option Agreement.

(p) "**Fair Market Value**" means the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(q) "**Family Member**" means (i) any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, (ii) any person sharing the Participant's household (other than a tenant or

employee), (iii) a trust in which persons described in Clause (i) or (ii) have more than 50% of the beneficial interest, (iv) a foundation in which persons described in Clause (i) or (ii) or the Participant controls the management of assets and (v) any other entity in which persons described in Clause (i) or (ii) or the Participant owns more than 50% of the voting interests.

(r) "**Grantee**" means a person to whom the Board of Directors has awarded Shares under the Plan.

(s) "**ISO**" means an Option that qualifies as an incentive stock option as described in Code Section 422(b). Notwithstanding its designation as an ISO, an Option that does not qualify as an ISO under applicable law shall be treated for all purposes as a Nonstatutory Option.

(t) "**Nonstatutory Option**" means an Option that does not qualify as an incentive stock option as described in Code Section 422(b) or 423(b).

(u) "**Option**" means an ISO or Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.

(v) "**Optionee**" means a person who holds an Option.

(w) "**Outside Director**" means a member of the Board of Directors who is not an Employee.

(x) "**Parent**" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(y) "**Participant**" means the holder of an outstanding Award.

(z) "**Plan**" means this Blend Labs, Inc. 2012 Stock Plan.

(aa) "**Purchase Price**" means the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Board of Directors.

(bb) "**Purchaser**" means a person to whom the Board of Directors has offered the right to purchase Shares under the Plan (other than upon exercise of an Option).

(cc) "**Restricted Stock Unit**" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 7. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(dd) "**Restricted Stock Unit Agreement**" means the agreement between the Company and the recipient of a Restricted Stock Unit that contains the terms, conditions, and restrictions pertaining to such Restricted Stock Unit.

(ee) "**Securities Act**" means the Securities Act of 1933, as amended.

(ff) "**Service**" means service as an Employee, Outside Director or Consultant.

(gg) "**Share**" means one share of Stock, as adjusted in accordance with Section 9 (if applicable).

(hh) "**Stock**" means the Class A Common Stock of the Company.

(ii) "**Stock Grant Agreement**" means the agreement between the Company and a Grantee who is awarded Shares under the Plan that contains the terms, conditions and restrictions pertaining to the award of such Shares.

(jj) "**Stock Option Agreement**" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to the Optionee's Option.

(kk) "**Stock Purchase Agreement**" means the agreement between the Company and a Purchaser who purchases Shares under the Plan that contains the terms, conditions and restrictions pertaining to the purchase of such Shares.

(ll) "**Subsidiary**" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such dat

EXHIBIT A

SCHEDULE OF SHARES RESERVED FOR ISSUANCE UNDER THE PLAN

Date of Board Approval	Date of Stockholder Approval	Number of Shares Added	Cumulative Number of Shares
05/01/2012	05/01/2012	Not Applicable	1,500,000
10/04/2012	10/04/2012	Not Applicable; Stock Split	15,000,000
12/11/2013	12/12/2013	17,283,389	32,283,389
09/30/2014	09/30/2014	9,704,992	41,988,381
07/13/2015	07/13/2015	26,566,830	68,555,211
12/18/2015	12/18/2015	9,338,079	77,893,290
03/21/2017	03/25/2017	6,000,000	83,893,290
07/31/2017	07/31/2017	23,258,661	107,151,951
12/17/2018	12/17/2018	24,083,500	131,235,451
05/28/2019	05/28/2019	35,431,546	166,666,997
08/04/2020	08/04/2020	21,581,967	188,248,964
05/28/2021	06/20/2021	20,300,000	208,548,964

BLEND LABS, INC. 2012 STOCK PLAN

NOTICE OF STOCK OPTION GRANT (EARLY EXERCISE)

The Optionee has been granted the following option to purchase shares of the Common Stock of Blend Labs, Inc.:

Name of Optionee:	«Name»
Total Number of Shares:	«TotalShares»
Type of Option:	«ISO» Incentive Stock Option (ISO) «NSO» Nonstatutory Stock Option (NSO)
Exercise Price per Share:	$«PricePerShare»
Date of Grant:	«DateGrant»
Date Exercisable:	This option may be exercised at any time after the Date of Grant for all or any part of the Shares subject to this option.
Vesting Commencement Date:	«VestComDate»
Vesting Schedule:	The Right of Repurchase shall lapse with respect to the first «Percent»% of the Shares subject to this option when the Optionee completes «CliffPeriod» months of continuous Service beginning with the Vesting Commencement Date set forth above. The Right of Repurchase shall lapse with respect to an additional «Fraction»% of the Shares subject to this option when the Optionee completes each month of continuous Service thereafter.
Expiration Date:	«ExpDate». This option expires earlier if the Optionee's Service terminates earlier, as provided in Section 6 of the Stock Option Agreement, or if the Company engages in certain corporate transactions, as provided in Section 8(b) of the Plan.

By signing below, the Optionee and the Company agree that this option is granted under, and governed by the terms and conditions of, the 2012 Stock Plan and the Stock Option Agreement. Both of these documents are attached to, and made a part of, this Notice of Stock Option Grant. **Section 14 of the Stock Option Agreement includes important acknowledgements of the Optionee**.

OPTIONEE:

_____

BLEND LABS, INC.

By: _____

Title: _____

THE OPTION GRANTED PURSUANT TO THIS AGREEMENT AND THE SHARES ISSUABLE UPON THE EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

BLEND LABS, INC. 2012 STOCK PLAN:
STOCK OPTION AGREEMENT (EARLY EXERCISE)

SECTION 1. GRANT OF OPTION.

(a) **Option**. On the terms and conditions set forth in the Notice of Stock Option Grant and this Agreement, the Company grants to the Optionee on the Date of Grant the option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant. The Exercise Price is agreed to be at least 100% of the Fair Market Value per Share on the Date of Grant (110% of Fair Market Value if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies). This option is intended to be an ISO or an NSO, as provided in the Notice of Stock Option Grant.

(b) **$100,000 Limitation**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it shall be deemed to be an NSO to the extent (and only to the extent) required by the $100,000 annual limitation under Section 422(d) of the Code.

(c) **Stock Plan and Defined Terms**. This option is granted pursuant to the Plan, a copy of which the Optionee acknowledges having received. The provisions of the Plan are incorporated into this Agreement by this reference. Capitalized terms are defined in Section 15 of this Agreement.

SECTION 2. RIGHT TO EXERCISE.

(a) **Exercisability**. Subject to Subsection (b) below and the other conditions set forth in this Agreement, all or part of this option may be exercised prior to its expiration at the time or times set forth in the Notice of Stock Option Grant. Shares purchased by exercising this option may be subject to the Right of Repurchase under Section 7.

(b) **Stockholder Approval**. Any other provision of this Agreement notwithstanding, no portion of this option shall be exercisable at any time prior to the approval of the Plan by the Company's stockholders.

SECTION 3. NO TRANSFER OR ASSIGNMENT OF OPTION.

Except as otherwise provided in this Agreement, this option and the rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process.

SECTION 4. EXERCISE PROCEDURES.

(a) **Notice of Exercise**. The Optionee or the Optionee's representative may exercise this option by giving written notice to the Company pursuant to Section 13(c). The notice shall specify the election to exercise this option, the number of Shares for which it is being exercised and the form of payment. The person exercising this option shall sign the notice. In the event that this option is being exercised by the representative of the Optionee, the notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise this option. The Optionee or the Optionee's representative shall deliver to the Company, at the time of giving the notice, payment in a form permissible under Section 5 for the full amount of the Purchase Price. In the event of a partial exercise of this option, Shares shall be deemed to have been purchased in the order in which they vest in accordance with the Notice of Stock Option Grant.

(b) **Issuance of Shares**. After receiving a proper notice of exercise, the Company shall cause to be issued one or more certificates evidencing the Shares for which this option has been exercised. Such Shares shall be registered (i) in the name of the person exercising this option, (ii) in the names of such person and his or her spouse as community property or as joint tenants with the right of survivorship or (iii) with the Company's consent, in the name of a revocable trust. In the case of Restricted Shares, the Company shall cause such certificates to be deposited in escrow under Section 7(c). In the case of other Shares, the Company shall cause such certificates to be delivered to or upon the order of the person exercising this option.

(c) **Withholding Taxes**. In the event that the Company determines that it is required to withhold any tax as a result of the exercise of this option, the Optionee, as a condition to the exercise of this option, shall make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements. The Optionee shall also make arrangements satisfactory to the Company to enable it to satisfy any withholding requirements that may arise in connection with the vesting or disposition of Shares purchased by exercising this option.

SECTION 5. PAYMENT FOR STOCK.

(a) **Cash**. All or part of the Purchase Price may be paid in cash or cash equivalents.

(b) **Surrender of Stock**. At the discretion of the Board of Directors, all or any part of the Purchase Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when this option is exercised.

(c) **Exercise/Sale**. All or part of the Purchase Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company. However, payment pursuant to this Subsection (c) shall be permitted only if (i) Stock then is publicly traded and (ii) such payment does not violate applicable law.

SECTION 6. TERM AND EXPIRATION.

(a) **Basic Term**. This option shall in any event expire on the expiration date set forth in the Notice of Stock Option Grant, which date is 10 years after the Date of Grant (five years after the Date of Grant if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies).

(b) **Termination of Service (Except by Death)**. If the Optionee's Service terminates for any reason other than death, then this option shall expire on the earliest of the following occasions:

(i) The expiration date determined pursuant to Subsection (a) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability; or

(iii) The date six months after the termination of the Optionee's Service by reason of Disability.

The Optionee may exercise all or part of this option at any time before its expiration under the preceding sentence, but only to the extent that this option is exercisable for vested Shares on or before the date when the Optionee's Service terminates. When the Optionee's Service terminates, this option shall expire immediately with respect to the number of Shares for which this option is not yet exercisable and with respect to any Restricted Shares. In the event that the Optionee dies after termination of Service but before the expiration of this option, all or part of this option may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option was exercisable for vested Shares on or before the date when the Optionee's Service terminated.

(c) **Death of the Optionee**. If the Optionee dies while in Service, then this option shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (a) above; or

(ii) The date 12 months after the Optionee's death.

All or part of this option may be exercised at any time before its expiration under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option is exercisable for vested Shares on or before the date of the Optionee's death. When the Optionee dies, this option shall expire immediately with respect to the number of Shares for which this option is not yet exercisable and with respect to any Restricted Shares.

(d) **Part-Time Employment and Leaves of Absence**. If the Optionee commences working on a part-time basis, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant. If the Optionee goes on a leave of absence, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant in accordance with the Company's leave of absence policy or the terms of such leave. Except as provided in the preceding sentence, Service shall be deemed to continue for any purpose under this Agreement while the Optionee is on a *bona fide* leave of absence, if (i) such leave was approved by the Company in writing and (ii) continued crediting of Service for such purpose is expressly required by the terms of such leave or by applicable law (as determined by the Company). Service shall be deemed to terminate when such leave ends, unless the Optionee immediately returns to active work.

(e) **Notice Concerning ISO Treatment**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it ceases to qualify for favorable tax treatment as an ISO to the extent that it is exercised:

(i) More than three months after the date when the Optionee ceases to be an Employee for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code);

(ii) More than 12 months after the date when the Optionee ceases to be an Employee by reason of permanent and total disability (as defined in Section 22(e)(3) of the Code); or

(iii) More than three months after the date when the Optionee has been on a leave of absence for 90 days, unless the Optionee's reemployment rights following such leave were guaranteed by statute or by contract.

SECTION 7. RIGHT OF REPURCHASE.

(a) **Scope of Repurchase Right**. Until they vest in accordance with the Notice of Stock Option Grant and Subsection (b) below, the Shares acquired under this Agreement shall be Restricted Shares and shall be subject to the Company's Right of Repurchase. The Company, however, may decline to exercise its Right of Repurchase or may exercise its Right of Repurchase only with respect to a portion of the Restricted Shares. The Company may exercise its Right of Repurchase only during the Repurchase Period following the termination of the Optionee's Service, but the Right of Repurchase may be exercised automatically under Subsection (d) below. If the Right of Repurchase is exercised, the Company shall pay the Optionee an amount equal to the lower of (i) the Exercise Price of each Restricted Share being repurchased or (ii) the Fair Market Value of such Restricted Share at the time the Right of Repurchase is exercised.

(b) **Lapse of Repurchase Right**. The Right of Repurchase shall lapse with respect to the Restricted Shares in accordance with the vesting schedule set forth in the Notice of Stock Option Grant.

(c) **Escrow**. Upon issuance, the certificate(s) for Restricted Shares shall be deposited in escrow with the Company to be held in accordance with the provisions of this Agreement. Any additional or exchanged securities or other property described in Subsection (f) below shall immediately be delivered to the Company to be held in escrow. All ordinary cash dividends on Restricted Shares (or on other securities held in escrow) shall be paid directly to the Optionee and shall not be held in escrow. Restricted Shares, together with any other assets held in escrow under this Agreement, shall be (i) surrendered to the Company for repurchase upon exercise of the Right of Repurchase or the Right of First Refusal or (ii) released to the Optionee upon his or her request to the extent that the Shares have ceased to be Restricted Shares (but not more frequently than once every six months). In any event, all Shares that have ceased to be Restricted Shares, together with any other vested assets held in escrow under this Agreement, shall be released within 90 days after the earlier of (i) the termination of the Optionee's Service or (ii) the lapse of the Right of First Refusal.

(d) **Exercise of Repurchase Right**. The Company shall be deemed to have exercised its Right of Repurchase automatically for all Restricted Shares as of the commencement of the Repurchase Period, unless the Company during the Repurchase Period notifies the holder of the Restricted Shares pursuant to Section 13(c) that it will not exercise its Right of Repurchase for some or all of the Restricted Shares. The Company shall pay to the holder of the Restricted Shares the purchase price determined under Subsection (a) above for the Restricted Shares being repurchased. Payment shall be made in cash or cash equivalents and/or by canceling indebtedness to the Company incurred by the Optionee in the purchase of the Restricted Shares. The certificate(s) representing the Restricted Shares being repurchased shall be delivered to the Company.

(e) **Termination of Rights as Stockholder**. If the Right of Repurchase is exercised in accordance with this Section 7 and the Company makes available the consideration for the Restricted Shares being repurchased, then the person from whom the Restricted Shares are repurchased shall no longer have any rights as a holder of the Restricted Shares (other than the right to receive payment of such consideration). Such Restricted Shares shall be deemed to have been repurchased pursuant to this Section 7, whether or not the certificate(s) for such Restricted Shares have been delivered to the Company or the consideration for such Restricted Shares has been accepted.

(f) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash

equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Restricted Shares shall immediately be subject to the Right of Repurchase. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Restricted Shares. Appropriate adjustments shall also be made to the price per share to be paid upon the exercise of the Right of Repurchase, provided that the aggregate purchase price payable for the Restricted Shares shall remain the same. In the event of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, the Right of Repurchase may be exercised by the Company's successor.

(g) **Transfer of Restricted Shares**. The Optionee shall not transfer, assign, encumber or otherwise dispose of any Restricted Shares without the Company's written consent, except as provided in the following sentence. The Optionee may transfer Restricted Shares to one or more members of the Optionee's Immediate Family or to a trust established by the Optionee for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Restricted Shares, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.

(h) **Assignment of Repurchase Right**. The Board of Directors may freely assign the Company's Right of Repurchase, in whole or in part. Any person who accepts an assignment of the Right of Repurchase from the Company shall assume all of the Company's rights and obligations under this Section 7.

SECTION 8. RIGHT OF FIRST REFUSAL.

(a) **Right of First Refusal**. In the event that the Optionee proposes to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Shares. If the Optionee desires to transfer Shares acquired under this Agreement, the Optionee shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, State or foreign securities laws. The Transfer Notice shall be signed both by the Optionee and by the proposed Transferee and must constitute a binding commitment of both parties to the transfer of the Shares. The Company shall have the right to purchase all, and not less than all, of the Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) **Transfer of Shares**. If the Company fails to exercise its Right of First Refusal within 30 days after the date when it received the Transfer Notice, the Optionee may, not later than 90 days following receipt of the Transfer Notice by the Company, conclude a transfer of the Shares subject to the Transfer Notice on the terms and conditions described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, State and

foreign securities laws and not in violation of any other contractual restrictions to which the Optionee is bound. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Optionee, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Shares on the terms set forth in the Transfer Notice within 60 days after the date when the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Shares subject to this Section 8 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Shares subject to this Section 8.

(d) **Termination of Right of First Refusal**. Any other provision of this Section 8 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Optionee desires to transfer Shares, the Company shall have no Right of First Refusal, and the Optionee shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) **Permitted Transfers**. This Section 8 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Optionee's Immediate Family or to a trust established by the Optionee for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Shares acquired under this Agreement, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.

(f) **Termination of Rights as Stockholder**. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 8, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not the certificate(s) therefor have been delivered as required by this Agreement.

(g) **Assignment of Right of First Refusal**. The Board of Directors may freely assign the Company's Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall assume all of the Company's rights and obligations under this Section 8.

SECTION 9. LEGALITY OF INITIAL ISSUANCE.

No Shares shall be issued upon the exercise of this option unless and until the Company has determined that:

(a) It and the Optionee have taken any actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof;

(b) Any applicable listing requirement of any stock exchange or other securities market on which Stock is listed has been satisfied; and

(c) Any other applicable provision of federal, State or foreign law has been satisfied.

SECTION 10. NO REGISTRATION RIGHTS.

The Company may, but shall not be obligated to, register or qualify the sale of Shares under the Securities Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the sale of Shares under this Agreement to comply with any law.

SECTION 11. RESTRICTIONS ON TRANSFER OF SHARES.

(a) **Transfer Restrictions**. Regardless of whether the offering and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any State, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act, the securities laws of any State or any other law. Further, unless the Stock is readily tradeable on an established securities market, the transfer of any of the Shares acquired pursuant to this Agreement (or any interest therein) shall, at the Company's request, be conditioned upon (i) effecting such transfer pursuant to a form of stock transfer agreement prescribed by the Company and (ii) payment of a transfer fee. In addition, any Shares acquired pursuant to this Agreement shall be subject to the transfer restrictions in Article XI of the Company's Bylaws, as amended, in addition to, and not in limitation of, any transfer restrictions imposed by this Agreement, including without limitation Sections 7 hereof and this Section 10.

(b) **Market Stand-Off**. The Optionee or a Transferee hereby agrees that he, she or it will not, without the prior written consent of the managing underwriter (in connection with the Company's first firm commitment underwritten public offering of its Stock on Form S-1 under the Securities Act (the "Initial Offering")) or the Company as unanimously approved by the Board of Directors (in connection with the Company's consummation of a merger, consolidation, share exchange or similar transaction or series of transactions with a publicly-traded "special purpose acquisition company or its subsidiary (collectively, a "SPAC") in which the common stock (or similar securities) of the SPAC or its successor entity is listed on the Nasdaq Stock Market, the New York Stock Exchange or another exchange or marketplace approved by the Board of Directors, immediately following the consummation of such transaction or series of transactions (such transaction or series of related transactions, the "SPAC Transaction")), during the period commencing on the date of (a) the effectiveness of the registration statement for the Initial Offering or (b) the closing of the SPAC Transaction, and ending on the date specified by the managing underwriter (for the Initial Offering) or the Company as unanimously approved by the Board of Directors (for a SPAC Transaction) (such period not to exceed one hundred eighty (180) days) (i) 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 shares of Stock or any securities convertible into or exercisable or exchangeable for Stock (or, in the case of a SPAC Transaction, any shares of the common stock or other share capital of the SPAC or any securities convertible into or exercisable or exchangeable, directly or indirectly, for such common stock or other share capital received in exchange for or as consideration in respect of any shares of Stock or any securities convertible into or exercisable or exchangeable for Stock ("SPAC Securities")) held immediately prior to consummation of the Initial Offering or acquired in connection with the SPAC Transaction, or (ii) engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) that is designed to, or that reasonably could be expected to, lead to or result in a sale or disposition (whether by the Optionee or a Transferee or someone other than the Optionee or a Transferee), or a transfer of any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock, the common stock or share capital of the SPAC or other securities, in cash or otherwise (such restriction, the "Market Stand-Off"). The Market Stand-Off shall in any event terminate two years after the date of (a) the consummation of the Company's first sale of Stock or other securities pursuant to a registration statement under the Securities Act (other than a registration statement relating either to sale of securities to employees of the Company pursuant to its stock option, stock purchase or similar plan or a Securities and Exchange Commission Rule 145 transaction), (b) the consummation of a Liquidation Transaction, as that term is defined in the Company's certificate of incorporation (as amended and/or restated from time to time), (c) the initial listing of the Stock (or other equity securities of the Company into which the Stock converts) on the Nasdaq Stock Market, the New York Stock Exchange or another exchange or marketplace approved by the Board of Directors by means of an effective registration statement under the Securities Act filed by the Company with the Securities and Exchange Commission, without a related underwritten offering of such Stock (or other equity securities), or (d) the consummation of a SPAC Transaction. In the event of the declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio,

a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The foregoing provisions of this Subsection (b) (I) shall apply only to the Initial Offering or SPAC Transaction, (II) shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, (III) shall not apply to transactions relating to Stock or other securities acquired in the Initial Offering or in open market transactions in connection with or after completion of the Initial Offering or SPAC Transaction, and (IV) shall not apply to a transfer by beneficiary designation, will or intestate succession or a transfer to one or more members of the Optionee's Immediate Family or to a trust established by the Optionee for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company and furnished to the Company and the managing underwriter to be bound by all provisions of this Agreement. The underwriters in connection with the Initial Offering, and the SPAC in a SPAC Transaction, are intended third-party beneficiaries of this Subsection (b) and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. The Optionee and any Transferee further agrees to execute such agreements as may be reasonably requested by the underwriters (in connection with the Initial Offering) and the SPAC (in connection with a SPAC Transaction) that are consistent with this Subsection (b) or that are necessary to give further effect thereto.

(c) **Investment Intent at Grant**. The Optionee represents and agrees that the Shares to be acquired upon exercising this option will be acquired for investment, and not with a view to the sale or distribution thereof.

(d) **Investment Intent at Exercise**. In the event that the sale of Shares under the Plan is not registered under the Securities Act but an exemption is available that requires an investment representation or other representation, the Optionee shall represent and agree at the time of exercise that the Shares being acquired upon exercising this option are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel.

(e) **Legends**. All certificates evidencing Shares purchased under this Agreement shall bear the following legends:

"THE SHARES REPRESENTED HEREBY MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF A WRITTEN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER OF THE SHARES (OR THE PREDECESSOR IN INTEREST TO THE SHARES). SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES AND CERTAIN REPURCHASE RIGHTS UPON TERMINATION OF SERVICE WITH THE COMPANY. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE BYLAWS OF THE CORPORATION. COPIES OF THE BYLAWS OF THE CORPORATION MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE CORPORATION."

All certificates evidencing Shares purchased under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law):

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED."

(f) **Removal of Legends**. If, in the opinion of the Company and its counsel, any legend placed on a stock certificate representing Shares sold under this Agreement is no longer required, the holder of such certificate shall be entitled to exchange such certificate for a certificate representing the same number of Shares but without such legend.

(g) **Administration**. Any determination by the Company and its counsel in connection with any of the matters set forth in this Section 11 shall be conclusive and binding on the Optionee and all other persons.

SECTION 12. ADJUSTMENT OF SHARES.

In the event of any transaction described in Section 8(a) of the Plan, the terms of this option (including, without limitation, the number and kind of Shares subject to this option and the Exercise Price) shall be adjusted as set forth in Section 8(a) of the Plan. In the event that the Company is a party to a merger or consolidation or in the event of a sale of all or substantially all of the Company's stock or assets, this option shall be subject to the treatment provided by the Board of Directors in its sole discretion, as provided in Section 8(b) of the Plan.

SECTION 13. MISCELLANEOUS PROVISIONS.

(a) **Rights as a Stockholder**. Neither the Optionee nor the Optionee's representative shall have any rights as a stockholder with respect to any Shares subject to this option until the Optionee or the Optionee's representative becomes entitled to receive such Shares by filing a notice of exercise and paying the Purchase Price pursuant to Sections 4 and 5.

(b) **No Retention Rights**. Nothing in this option or in the Plan shall confer upon the Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Optionee) or of the Optionee, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) **Notice**. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or (iii) deposit with Federal Express Corporation, with shipping charges prepaid. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided to the Company in accordance with this Subsection (c).

(d) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Optionee and by an authorized officer of the Company (other than the Optionee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) **Entire Agreement**. The Notice of Stock Option Grant, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

(f) **Choice of Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

SECTION 14. ACKNOWLEDGEMENTS OF THE OPTIONEE.

(a) **Tax Consequences**. The Optionee agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes the Optionee's tax liabilities. The Optionee shall not make any claim against the Company or its Board of Directors, officers or employees related to tax liabilities arising from this option or the Optionee's other compensation. In particular, the Optionee acknowledges that this option is exempt from Section 409A of the Code only if the Exercise Price is at least equal to the Fair Market Value per Share on the Date of Grant. Since Shares are not traded on an established securities market, the determination of their Fair Market Value is made by the Board of Directors or by an independent valuation firm retained by the Company. The Optionee acknowledges that there is no guarantee in either case that the Internal Revenue Service will agree with the valuation, and the Optionee shall not make any claim against the Company or its Board of Directors, officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low.

(b) **Electronic Delivery of Documents**. The Optionee agrees to accept by email all documents relating to the Company, the Plan or this option and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission). The Optionee also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify the Optionee by email of their availability. The Optionee acknowledges that he or she may incur costs in connection with electronic delivery, including the cost of accessing the internet and printing fees, and that an interruption of internet access may interfere with his or her ability to access the documents. This consent shall remain in effect until this option expires or until the Optionee gives the Company written notice that it should deliver paper documents.

(c) **No Notice of Expiration Date**. The Optionee agrees that the Company and its officers, employees, attorneys and agents do not have any obligation to notify him or her prior to the expiration of this option pursuant to Section 6, regardless of whether this option will expire at the end of its full term or on an earlier date related to the termination of the Optionee's Service. The Optionee further agrees that he or she has the sole responsibility for monitoring the expiration of this option and for exercising this option, if at all, before it expires. This Subsection (c) shall supersede any contrary representation that may have been made, orally or in writing, by the Company or by an officer, employee, attorney or agent of the Company.

SECTION 15. DEFINITIONS.

(a) "**Agreement**" shall mean this Stock Option Agreement.

(b) "**Board of Directors**" shall mean the Board of Directors of the Company, as constituted from time to time or, if a Committee has been appointed, such Committee.

(c) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(d) "**Committee**" shall mean a committee of the Board of Directors, as described in Section 2 of the Plan.

(e) "**Company**" shall mean Blend Labs, Inc., a Delaware corporation.

(f) "**Consultant**" shall mean a person, excluding Employees and Outside Directors, who performs bona fide services for the Company, a Parent or a Subsidiary as a consultant or advisor and who qualifies as a consultant or advisor under Rule 701(c)(1) of the Securities Act or under Instruction A.1.(a)(1) of Form S-8 under the Securities Act.

(g) "**Date of Grant**" shall mean the date of grant specified in the Notice of Stock Option Grant, which date shall be the later of (i) the date on which the Board of Directors resolved to grant this option or (ii) the first day of the Optionee's Service.

(h) "**Disability**" shall mean that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment.

(i) "**Employee**" shall mean any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

(j) "**Exercise Price**" shall mean the amount for which one Share may be purchased upon exercise of this option, as specified in the Notice of Stock Option Grant.

(k) "**Fair Market Value**" shall mean the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(l) "**Immediate Family**" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and shall include adoptive relationships.

(m) "**ISO**" shall mean an employee incentive stock option described in Section 422(b) of the Code.

(n) "**Notice of Stock Option Grant**" shall mean the document so entitled to which this Agreement is attached.

(o) "**NSO**" shall mean a stock option not described in Section 422(b) or 423(b) of the Code.

(p) "**Optionee**" shall mean the person named in the Notice of Stock Option Grant.

(q) "**Outside Director**" shall mean a member of the Board of Directors who is not an Employee.

(r) "**Parent**" shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(s) "**Plan**" shall mean the Blend Labs, Inc. 2012 Stock Plan, as in effect on the Date of Grant.

(t) "**Purchase Price**" shall mean the Exercise Price multiplied by the number of Shares with respect to which this option is being exercised.

(u) "**Repurchase Period**" shall mean a period of 90 consecutive days commencing on the date when the Optionee's Service terminates for any reason, including (without limitation) death or disability.

(v) "**Restricted Share**" shall mean a Share that is subject to the Right of Repurchase.

(w) "**Right of First Refusal**" shall mean the Company's right of first refusal described in Section 8.

(x) "**Right of Repurchase**" shall mean the Company's right of repurchase described in Section 7.

(y) "**Securities Act**" shall mean the Securities Act of 1933, as amended.

(z) "**Service**" shall mean service as an Employee, Outside Director or Consultant.

(aa) "**Share**" shall mean one share of Stock, as adjusted in accordance with Section 8 of the Plan (if applicable).

(bb) "**Stock**" shall mean the Common Stock of the Company.

(cc) "**Subsidiary**" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(dd) "**Transferee**" shall mean any person to whom the Optionee has directly or indirectly transferred any Share acquired under this Agreement.

(ee) "**Transfer Notice**" shall mean the notice of a proposed transfer of Shares described in Section 8.

BLEND LABS, INC. 2012 STOCK PLAN

NOTICE OF STOCK OPTION GRANT (INSTALLMENT EXERCISE)

The Optionee has been granted the following option to purchase shares of the Common Stock of Blend Labs, Inc.:

Name of Optionee:	«Name»
Total Number of Shares:	«TotalShares»
Type of Option:	«ISO» Incentive Stock Option (ISO)
	«NSO» Nonstatutory Stock Option (NSO)
Exercise Price per Share:	$«PricePerShare»
Date of Grant:	«DateGrant»
Date Exercisable:	This option may be exercised with respect to the first «Percent»% of the Shares subject to this option when the Optionee completes «CliffPeriod» months of continuous Service beginning with the Vesting Commencement Date set forth below. This option may be exercised with respect to an additional «Fraction»% of the Shares subject to this option when the Optionee completes each month of continuous Service thereafter.
Vesting Commencement Date:	«VestComDate»
Expiration Date:	«ExpDate». This option expires earlier if the Optionee's Service terminates earlier, as provided in Section 6 of the Stock Option Agreement, or if the Company engages in certain corporate transactions, as provided in Section 8(b) of the Plan.

By signing below, the Optionee and the Company agree that this option is granted under, and governed by the terms and conditions of, the 2012 Stock Plan and the Stock Option Agreement. Both of these documents are attached to, and made a part of, this Notice of Stock Option Grant. **Section 13 of the Stock Option Agreement includes important acknowledgements of the Optionee**.

OPTIONEE:

_____

BLEND LABS, INC.

By: _____

Title:

THE OPTION GRANTED PURSUANT TO THIS AGREEMENT AND THE SHARES ISSUABLE UPON THE EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

BLEND LABS, INC. 2012 STOCK PLAN:
STOCK OPTION AGREEMENT (INSTALLMENT EXERCISE)

SECTION 1. GRANT OF OPTION.

(a) **Option**. On the terms and conditions set forth in the Notice of Stock Option Grant and this Agreement, the Company grants to the Optionee on the Date of Grant the option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant. The Exercise Price is agreed to be at least 100% of the Fair Market Value per Share on the Date of Grant (110% of Fair Market Value if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies). This option is intended to be an ISO or an NSO, as provided in the Notice of Stock Option Grant.

(b) **$100,000 Limitation**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it shall be deemed to be an NSO to the extent (and only to the extent) required by the $100,000 annual limitation under Section 422(d) of the Code.

(c) **Stock Plan and Defined Terms**. This option is granted pursuant to the Plan, a copy of which the Optionee acknowledges having received. The provisions of the Plan are incorporated into this Agreement by this reference. Capitalized terms are defined in Section 14 of this Agreement.

SECTION 2. RIGHT TO EXERCISE.

(a) **Exercisability**. Subject to Subsection (b) below and the other conditions set forth in this Agreement, all or part of this option may be exercised prior to its expiration at the time or times set forth in the Notice of Stock Option Grant.

(b) **Stockholder Approval**. Any other provision of this Agreement notwithstanding, no portion of this option shall be exercisable at any time prior to the approval of the Plan by the Company's stockholders.

SECTION 3. NO TRANSFER OR ASSIGNMENT OF OPTION.

Except as otherwise provided in this Agreement, this option and the rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process.

SECTION 4. EXERCISE PROCEDURES.

(a) **Notice of Exercise**. The Optionee or the Optionee's representative may exercise this option by giving written notice to the Company pursuant to Section 12(c). The notice shall specify the election to exercise this option, the number of Shares for which it is being exercised and the form of payment. The person exercising this option shall sign the notice. In the event that this option is being exercised by the representative of the Optionee, the notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise this option. The Optionee or the Optionee's representative shall deliver to the Company, at the time of giving the notice, payment in a form permissible under Section 5 for the full amount of the Purchase Price.

(b) **Issuance of Shares**. After receiving a proper notice of exercise, the Company shall cause to be issued one or more certificates evidencing the Shares for which this option has been exercised. Such Shares shall be registered (i) in the name of the person exercising this option, (ii) in the names of such person and his or her spouse as community property or as joint tenants with the right of survivorship or (iii) with the Company's consent, in the name of a revocable trust. The Company shall cause such certificates to be delivered to or upon the order of the person exercising this option.

(c) **Withholding Taxes**. In the event that the Company determines that it is required to withhold any tax as a result of the exercise of this option, the Optionee, as a condition to the exercise of this option, shall make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements. The Optionee shall also make arrangements satisfactory to the Company to enable it to satisfy any withholding requirements that may arise in connection with the disposition of Shares purchased by exercising this option.

SECTION 5. PAYMENT FOR STOCK.

(a) **Cash**. All or part of the Purchase Price may be paid in cash or cash equivalents.

(b) **Surrender of Stock**. At the discretion of the Board of Directors, all or any part of the Purchase Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when this option is exercised.

(c) **Exercise/Sale**. All or part of the Purchase Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company. However, payment pursuant to this Subsection (c) shall be permitted only if (i) Stock then is publicly traded and (ii) such payment does not violate applicable law.

SECTION 6. TERM AND EXPIRATION.

(a) **Basic Term**. This option shall in any event expire on the expiration date set forth in the Notice of Stock Option Grant, which date is 10 years after the Date of Grant (five years after the Date of Grant if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies).

(b) **Termination of Service (Except by Death)**. If the Optionee's Service terminates for any reason other than death, then this option shall expire on the earliest of the following occasions:

(i) The expiration date determined pursuant to Subsection (a) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability; or

(iii) The date six months after the termination of the Optionee's Service by reason of Disability.

The Optionee may exercise all or part of this option at any time before its expiration under the preceding sentence, but only to the extent that this option had become exercisable before the Optionee's Service terminated. When the Optionee's Service terminates, this option shall expire immediately with respect to the number of Shares for which this option is not yet exercisable. In the event that the Optionee dies after termination of Service but before the expiration of this option, all or part of this option may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become exercisable before the Optionee's Service terminated.

(c) **Death of the Optionee**. If the Optionee dies while in Service, then this option shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (a) above; or

(ii) The date 12 months after the Optionee's death.

All or part of this option may be exercised at any time before its expiration under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become exercisable before the Optionee's death. When the Optionee dies, this option shall expire immediately with respect to the number of Shares for which this option is not yet exercisable.

(d) **Part-Time Employment and Leaves of Absence**. If the Optionee commences working on a part-time basis, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant. If the Optionee goes on a leave of absence, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant in accordance with the Company's leave of absence policy or the terms of such leave. Except as provided in the preceding sentence, Service shall be deemed to continue for any purpose under this Agreement while the Optionee is on a *bona fide* leave of absence, if (i) such leave was approved by the Company in writing and (ii) continued crediting of Service for such purpose is expressly required by the terms of such leave or by applicable law (as determined by the Company). Service shall be deemed to terminate when such leave ends, unless the Optionee immediately returns to active work.

(e) **Notice Concerning ISO Treatment**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it ceases to qualify for favorable tax treatment as an ISO to the extent that it is exercised:

(i) More than three months after the date when the Optionee ceases to be an Employee for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code);

(ii) More than 12 months after the date when the Optionee ceases to be an Employee by reason of permanent and total disability (as defined in Section 22(e)(3) of the Code); or

(iii) More than three months after the date when the Optionee has been on a leave of absence for 90 days, unless the Optionee's reemployment rights following such leave were guaranteed by statute or by contract.

SECTION 7. RIGHT OF FIRST REFUSAL.

(a) **Right of First Refusal**. In the event that the Optionee proposes to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Shares. If the Optionee desires to transfer Shares acquired under this Agreement, the Optionee shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, State or foreign securities laws. The Transfer Notice shall be signed both by the Optionee and by the proposed Transferee and must constitute a binding commitment of both parties to the transfer of the Shares. The Company shall have the right to purchase all, and not less than all, of the Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) **Transfer of Shares**. If the Company fails to exercise its Right of First Refusal within 30 days after the date when it received the Transfer Notice, the Optionee may, not later than 90 days following receipt of the Transfer Notice by the Company, conclude a transfer of the Shares subject to the Transfer Notice on the terms and conditions described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, State and foreign securities laws and not in violation of any other contractual restrictions to which the Optionee is bound. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Optionee, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in

Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Shares on the terms set forth in the Transfer Notice within 60 days after the date when the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Shares subject to this Section 7 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Shares subject to this Section 7.

(d) **Termination of Right of First Refusal**. Any other provision of this Section 7 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Optionee desires to transfer Shares, the Company shall have no Right of First Refusal, and the Optionee shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) **Permitted Transfers**. This Section 7 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Optionee's Immediate Family or to a trust established by the Optionee for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Shares acquired under this Agreement, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.

(f) **Termination of Rights as Stockholder**. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 7, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not the certificate(s) therefor have been delivered as required by this Agreement.

(g) **Assignment of Right of First Refusal**. The Board of Directors may freely assign the Company's Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall assume all of the Company's rights and obligations under this Section 7.

SECTION 8. LEGALITY OF INITIAL ISSUANCE.

No Shares shall be issued upon the exercise of this option unless and until the Company has determined that:

(a) It and the Optionee have taken any actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof;

(b) Any applicable listing requirement of any stock exchange or other securities market on which Stock is listed has been satisfied; and

(c) Any other applicable provision of federal, State or foreign law has been satisfied.

SECTION 9. NO REGISTRATION RIGHTS.

The Company may, but shall not be obligated to, register or qualify the sale of Shares under the Securities Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the sale of Shares under this Agreement to comply with any law.

SECTION 10. RESTRICTIONS ON TRANSFER OF SHARES.

(a) **Transfer Restrictions**. Regardless of whether the offering and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any State, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act, the securities laws of any State or any other law. Further, unless the Stock is readily tradeable on an established securities market, the transfer of any of the Shares acquired pursuant to this Agreement (or any interest therein) shall, at the Company's request, be conditioned upon (i) effecting such transfer pursuant to a form of stock transfer agreement prescribed by the Company and (ii) payment of a transfer fee. In addition, any Shares acquired pursuant to this Agreement shall be subject to the transfer restrictions in Article XI of the Company's Bylaws, as amended, in addition to, and not in limitation of, any transfer restrictions imposed by this Agreement, including without limitation Sections 7 hereof and this Section 10.

(b) **Market Stand-Off**. The Optionee or a Transferee hereby agrees that he, she or it will not, without the prior written consent of the managing underwriter (in connection with the Company's first firm commitment underwritten public offering of its Stock on Form S-1 under the Securities Act (the "Initial Offering")) or the Company as unanimously approved by the Board of Directors (in connection with the Company's consummation of a merger, consolidation, share exchange or similar transaction or series of transactions with a publicly-traded "special purpose acquisition company or its subsidiary (collectively, a "SPAC") in which the common stock (or similar securities) of the SPAC or its successor entity is listed on the Nasdaq Stock Market, the New York Stock Exchange or another exchange or marketplace approved by the Board of Directors, immediately following the consummation of such transaction or series of transactions (such transaction or series of related transactions, the "SPAC Transaction")), during the period commencing on the date of (a) the effectiveness of the registration statement for the Initial Offering or (b) the closing of the SPAC Transaction, and ending on the date specified by the managing underwriter (for the Initial Offering) or the Company as unanimously approved by the Board of Directors (for a SPAC Transaction) (such period not to exceed one hundred eighty (180) days) (i) 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 shares of Stock or any securities convertible into or exercisable or exchangeable for Stock (or, in the case of a SPAC Transaction, any shares of the common stock or other share capital of the SPAC or any securities convertible into or exercisable or exchangeable, directly or indirectly, for such common stock or other share capital received in exchange for or as consideration in respect of any shares of Stock or any securities convertible into or exercisable or exchangeable for Stock ("SPAC Securities")) held immediately prior to consummation of the Initial Offering or acquired in connection with the SPAC Transaction, or (ii) engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) that is designed to, or that reasonably could be expected to, lead to or result in a sale or disposition (whether by the Optionee or a Transferee or someone other than the Optionee or a Transferee), or a transfer of any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock, the common stock or share capital of the SPAC or other securities, in cash or otherwise (such restriction, the "Market Stand-Off"). The Market Stand-Off shall in any event terminate two years after the date of (a) the consummation of the Company's first sale of Stock or other securities pursuant to a registration statement under the Securities Act (other than a registration statement relating either to sale of securities to employees of the Company pursuant to its stock option, stock purchase or similar plan or a Securities and Exchange Commission Rule 145 transaction), (b) the consummation of a Liquidation Transaction, as that term is defined in the Company's certificate of incorporation (as amended and/or restated from time to time), (c) the initial listing of the Stock (or other equity securities of the Company into which the Stock converts) on the Nasdaq Stock Market, the New York Stock Exchange or another exchange or marketplace approved by the Board of Directors by means of an effective registration statement under the Securities Act filed by the Company with the Securities and Exchange Commission, without a related underwritten offering of such Stock (or other equity securities), or (d) the consummation of a SPAC Transaction. In the event of the

declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The foregoing provisions of this Subsection (b) (I) shall apply only to the Initial Offering or SPAC Transaction, (II) shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, (III) shall not apply to transactions relating to Stock or other securities acquired in the Initial Offering or in open market transactions in connection with or after completion of the Initial Offering or SPAC Transaction, and (IV) shall not apply to a transfer by beneficiary designation, will or intestate succession or a transfer to one or more members of the Optionee's Immediate Family or to a trust established by the Optionee for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company and furnished to the Company and the managing underwriter to be bound by all provisions of this Agreement. The underwriters in connection with the Initial Offering, and the SPAC in a SPAC Transaction, are intended third-party beneficiaries of this Subsection (b) and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. The Optionee and any Transferee further agrees to execute such agreements as may be reasonably requested by the underwriters (in connection with the Initial Offering) and the SPAC (in connection with a SPAC Transaction) that are consistent with this Subsection (b) or that are necessary to give further effect thereto.

(c) **Investment Intent at Grant**. The Optionee represents and agrees that the Shares to be acquired upon exercising this option will be acquired for investment, and not with a view to the sale or distribution thereof.

(d) **Investment Intent at Exercise**. In the event that the sale of Shares under the Plan is not registered under the Securities Act but an exemption is available that requires an investment representation or other representation, the Optionee shall represent and agree at the time of exercise that the Shares being acquired upon exercising this option are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel.

(e) **Legends**. All certificates evidencing Shares purchased under this Agreement shall bear the following legends:

"THE SHARES REPRESENTED HEREBY MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF A WRITTEN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER OF THE SHARES (OR THE PREDECESSOR IN INTEREST TO THE SHARES). SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE BYLAWS OF THE CORPORATION. COPIES OF THE BYLAWS OF THE CORPORATION MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE CORPORATION."

All certificates evidencing Shares purchased under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law):

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED."

(f) **Removal of Legends**. If, in the opinion of the Company and its counsel, any legend placed on a stock certificate representing Shares sold under this Agreement is no longer required, the holder of such certificate shall be entitled to exchange such certificate for a certificate representing the same number of Shares but without such legend.

(g) **Administration**. Any determination by the Company and its counsel in connection with any of the matters set forth in this Section 10 shall be conclusive and binding on the Optionee and all other persons.

SECTION 11. ADJUSTMENT OF SHARES.

In the event of any transaction described in Section 8(a) of the Plan, the terms of this option (including, without limitation, the number and kind of Shares subject to this option and the Exercise Price) shall be adjusted as set forth in Section 8(a) of the Plan. In the event that the Company is a party to a merger or consolidation or in the event of a sale of all or substantially all of the Company's stock or assets, this option shall be subject to the treatment provided by the Board of Directors in its sole discretion, as provided in Section 8(b) of the Plan.

SECTION 12. MISCELLANEOUS PROVISIONS.

(a) **Rights as a Stockholder**. Neither the Optionee nor the Optionee's representative shall have any rights as a stockholder with respect to any Shares subject to this option until the Optionee or the Optionee's representative becomes entitled to receive such Shares by filing a notice of exercise and paying the Purchase Price pursuant to Sections 4 and 5.

(b) **No Retention Rights**. Nothing in this option or in the Plan shall confer upon the Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Optionee) or of the Optionee, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) **Notice**. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or (iii) deposit with Federal Express Corporation, with shipping charges prepaid. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided to the Company in accordance with this Subsection (c).

(d) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Optionee and by an authorized officer of the Company (other than the Optionee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) **Entire Agreement**. The Notice of Stock Option Grant, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

(f) **Choice of Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

SECTION 13. ACKNOWLEDGEMENTS OF THE OPTIONEE.

(a) **Tax Consequences**. The Optionee agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes the Optionee's tax liabilities. The Optionee shall not make any claim against the Company or its Board of Directors, officers or employees related to tax liabilities arising from this option or the Optionee's other compensation. In particular, the Optionee acknowledges that this option is exempt from Section 409A of the Code only if the Exercise Price is at least equal to the Fair Market Value per Share on the Date of Grant. Since Shares are not traded on an established securities market, the determination of their Fair Market Value is made by the Board of Directors or by an independent valuation firm retained by the Company. The Optionee acknowledges that there is no guarantee in either case that the Internal Revenue Service will agree with the valuation, and the Optionee shall not make any claim against the Company or its Board of Directors, officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low.

(b) **Electronic Delivery of Documents**. The Optionee agrees to accept by email all documents relating to the Company, the Plan or this option and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission). The Optionee also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify the Optionee by email of their availability. The Optionee acknowledges that he or she may incur costs in connection with electronic delivery, including the cost of accessing the internet and printing fees, and that an interruption of internet access may interfere with his or her ability to access the documents. This consent shall remain in effect until this option expires or until the Optionee gives the Company written notice that it should deliver paper documents.

(c) **No Notice of Expiration Date**. The Optionee agrees that the Company and its officers, employees, attorneys and agents do not have any obligation to notify him or her prior to the expiration of this option pursuant to Section 6, regardless of whether this option will expire at the end of its full term or on an earlier date related to the termination of the Optionee's Service. The Optionee further agrees that he or she has the sole responsibility for monitoring the expiration of this option and for exercising this option, if at all, before it expires. This Subsection (c) shall supersede any contrary representation that may have been made, orally or in writing, by the Company or by an officer, employee, attorney or agent of the Company.

SECTION 14. DEFINITIONS.

(a) "**Agreement**" shall mean this Stock Option Agreement.

(b) "**Board of Directors**" shall mean the Board of Directors of the Company, as constituted from time to time or, if a Committee has been appointed, such Committee.

(c) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(d) "**Committee**" shall mean a committee of the Board of Directors, as described in Section 2 of the Plan.

(e) "**Company**" shall mean Blend Labs, Inc., a Delaware corporation.

(f) "**Consultant**" shall mean a person, excluding Employees and Outside Directors, who performs bona fide services for the Company, a Parent or a Subsidiary as a consultant or advisor and who qualifies as a consultant or advisor under Rule 701(c)(1) of the Securities Act or under Instruction A.1.(a)(1) of Form S-8 under the Securities Act.

(g) "**Date of Grant**" shall mean the date of grant specified in the Notice of Stock Option Grant, which date shall be the later of (i) the date on which the Board of Directors resolved to grant this option or (ii) the first day of the Optionee's Service.

(h) "**Disability**" shall mean that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment.

(i) "**Employee**" shall mean any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

(j) "**Exercise Price**" shall mean the amount for which one Share may be purchased upon exercise of this option, as specified in the Notice of Stock Option Grant.

(k) "**Fair Market Value**" shall mean the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(l) "**Immediate Family**" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and shall include adoptive relationships.

(m) "**ISO**" shall mean an employee incentive stock option described in Section 422(b) of the Code.

(n) "**Notice of Stock Option Grant**" shall mean the document so entitled to which this Agreement is attached.

(o) "**NSO**" shall mean a stock option not described in Section 422(b) or 423(b) of the Code.

(p) "**Optionee**" shall mean the person named in the Notice of Stock Option Grant.

(q) "**Outside Director**" shall mean a member of the Board of Directors who is not an Employee.

(r) "**Parent**" shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(s) "**Plan**" shall mean the Blend Labs, Inc. 2012 Stock Plan, as in effect on the Date of Grant.

(t) "**Purchase Price**" shall mean the Exercise Price multiplied by the number of Shares with respect to which this option is being exercised.

(u) "**Right of First Refusal**" shall mean the Company's right of first refusal described in Section 7.

(v) "**Securities Act**" shall mean the Securities Act of 1933, as amended.

(w) "**Service**" shall mean service as an Employee, Outside Director or Consultant.

(x) "**Share**" shall mean one share of Stock, as adjusted in accordance with Section 8 of the Plan (if applicable).

(y) "**Stock**" shall mean the Common Stock of the Company.

(z) "**Subsidiary**" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(aa) "**Transferee**" shall mean any person to whom the Optionee has directly or indirectly transferred any Share acquired under this Agreement.

(bb) "**Transfer Notice**" shall mean the notice of a proposed transfer of Shares described in Section 7.

BLEND LABS, INC. 2012 STOCK PLAN:

SUMMARY OF STOCK GRANT (FOR SERVICES)

The Transferee is acquiring shares of the Common Stock of Blend Labs, Inc. on the following terms:

Name of Transferee:	«Name»
Total Number of Transferred Shares:	«TotalShares»
Date of Transfer:	«DateTransfer»
Vesting Commencement Date:	«VestComDate»
Vesting Schedule:	The Forfeiture Condition shall lapse with respect to the first «Percent»% of the Transferred Shares when the Transferee completes «CliffPeriod» months of continuous Service beginning with the Vesting Commencement Date set forth above. The Forfeiture Condition shall lapse with respect to an additional «Fraction»% of the Transferred Shares when the Transferee completes each month of continuous Service thereafter.

By signing below, the Transferee and the Company agree that the acquisition of the Transferred Shares is governed by the terms and conditions of the 2012 Stock Plan and the Stock Grant Agreement. Both of these documents are attached to, and made a part of, this Summary of Stock Grant. The Transferee agrees to accept by email all documents relating to the Company, the Plan or this grant and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission). The Transferee also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify the Transferee by email of their availability. The Transferee acknowledges that he or she may incur costs in connection with electronic delivery, including the cost of accessing the internet and printing fees, and that an interruption of internet access may interfere with his or her ability to access the documents. This consent shall remain in effect until the Transferee gives the Company written notice that it should deliver paper documents.

TRANSFEREE:

_____

Address for Mailing Stock Certificate:

_____

_____

BLEND LABS, INC.

By: _____

Title: _____

BLEND LABS, INC. 2012 STOCK PLAN:

STOCK GRANT AGREEMENT (FOR SERVICES)

SECTION 1. ACQUISITION OF SHARES.

(a) **Transfer**. On the terms and conditions set forth in the Summary of Stock Grant and this Agreement, the Company agrees to transfer to the Transferee the number of Shares set forth in the Summary of Stock Grant. The transfer shall occur at the offices of the Company on the date of transfer set forth in the Summary of Stock Grant or at such other place and time as the parties may agree.

(b) **Consideration**. The Transferee and the Company agree that the Transferred Shares are being issued to the Transferee as consideration for a portion of the services performed by the Transferee for the Company. The value of such portion is agreed to be not less than 100% of the Fair Market Value of the Transferred Shares.

(c) **Stock Plan and Defined Terms**. The transfer of the Transferred Shares is subject to the Plan, a copy of which the Transferee acknowledges having received. The provisions of the Plan are incorporated into this Agreement by this reference. Capitalized terms are defined in Section 12 of this Agreement.

SECTION 2. FORFEITURE CONDITION.

(a) **Scope of Forfeiture Condition**. All Transferred Shares initially shall be Restricted Shares and shall be subject to forfeiture to the Company. The Transferee shall not transfer, assign, encumber or otherwise dispose of any Restricted Shares without the Company's written consent, except as provided in the following sentence. The Transferee may transfer Restricted Shares to one or more members of the Transferee's Immediate Family or to a trust established by the Transferee for the benefit of the Transferee and/or one or more members of the Transferee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Transferee transfers any Restricted Shares, then this Agreement shall apply to the Subsequent Transferee to the same extent as to the Transferee.

(b) **Vesting**. The Forfeiture Condition shall lapse and the Restricted Shares shall become vested in accordance with the vesting schedule set forth in the Summary of Stock Grant.

(c) **Execution of Forfeiture**. The Forfeiture Condition shall be applicable only if the Transferee's Service terminates for any reason, with or without cause, including (without limitation) death or disability, before all Restricted Shares have become vested. In the event that the Transferee's Service terminates for any reason, the certificate(s) representing any remaining Restricted Shares shall be delivered to the Company. The Company shall make no payment for Restricted Shares that are forfeited.

(d) **Additional Shares or Substituted Securities**. In the event of the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities or other property (including money paid other than as an ordinary cash dividend) which are by reason of such transaction distributed with respect to any Restricted Shares or into which such Restricted Shares thereby become convertible shall immediately be subject to the Forfeiture Condition. Appropriate adjustments to reflect the distribution of such securities or property shall be made to the number and/or class of the Restricted Shares.

(e) **Termination of Rights as Stockholder**. If Restricted Shares are forfeited in accordance with this Section 2, then the person who is to forfeit such Restricted Shares shall no longer have any rights as a holder of such Restricted Shares. Such Restricted Shares shall be deemed to have been forfeited in accordance with the applicable provisions hereof, whether or not the certificate(s) therefor have been delivered as required by this Agreement.

(f) **Escrow**. Upon issuance, the certificates for Restricted Shares shall be deposited in escrow with the Company to be held in accordance with the provisions of this Agreement. Any new, substituted or additional securities or other property described in Subsection (d) above shall immediately be delivered to the Company to be held in escrow, but only to the extent the Transferred Shares are at the time Restricted Shares. All regular cash dividends on Restricted Shares (or other securities at the time held in escrow) shall be paid directly to the Transferee and shall not be held in escrow. Restricted Shares, together with any other assets or securities held in escrow hereunder, shall be (i) surrendered to the Company for forfeiture and cancellation in the event that the Forfeiture Condition or Right of First Refusal applies or (ii) released to the Transferee upon the Transferee's request to the extent the Transferred Shares are no longer Restricted Shares (but not more frequently than once every six months). In any event, all Transferred Shares that have vested (and any other vested assets and securities attributable thereto) shall be released within 60 days after the earlier of (i) the termination of the Transferee's Service or (ii) the lapse of the Right of First Refusal.

(g) **Part-Time Employment and Leaves of Absence**. If the Transferee commences working on a part-time basis, then the Company may adjust the vesting schedule set forth in the Summary of Stock Grant. If the Transferee goes on a leave of absence, then the Company may adjust the vesting schedule set forth in the Summary of Stock Grant in accordance with the Company's leave of absence policy or the terms of such leave. Except as provided in the preceding sentence, Service shall be deemed to continue while the Transferee is on a *bona fide* leave of absence, if (i) such leave was approved by the Company in writing and (ii) continued crediting of Service is expressly required by the terms of such leave or by applicable law (as determined by the Company). Service shall be deemed to terminate when such leave ends, unless the Transferee immediately returns to active work.

SECTION 3. RIGHT OF FIRST REFUSAL.

(a) **Right of First Refusal**. In the event that the Transferee proposes to sell, pledge or otherwise transfer to a third party any Transferred Shares, or any interest in Transferred Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Transferred Shares. If the Transferee desires to transfer Transferred Shares, the Transferee shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Transferred Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Subsequent Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, State or foreign securities laws. The Transfer Notice shall be signed both by the Transferee and by the proposed Subsequent Transferee and must constitute a binding commitment of both parties to the transfer of the Transferred Shares. The Company shall have the right to purchase all, and not less than all, of the Transferred Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) **Transfer of Shares**. If the Company fails to exercise its Right of First Refusal within 30 days after receiving the Transfer Notice, the Transferee may, not later than 90 days after the Company received the Transfer Notice, conclude a transfer of the Transferred Shares subject to the Transfer Notice on the terms and conditions described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, State and foreign securities laws and not in violation of any other contractual restrictions to which the Transferee is bound. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Transferee, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Transferred Shares on the terms set forth in the Transfer Notice within 60 days after the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Transferred Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Transferred Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Transferred Shares subject to this Section 3 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Transferred Shares subject to this Section 3.

(d) **Termination of Right of First Refusal**. Any other provision of this Section 3 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Transferee desires to transfer Transferred Shares, the Company shall have no Right of First Refusal, and the Transferee shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) **Permitted Transfers**. This Section 3 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Transferee's Immediate Family or to a trust established by the Transferee for the benefit of the Transferee and/or one or more members of the Transferee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Transferee transfers any Transferred Shares, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Subsequent Transferee to the same extent as to the Transferee.

(f) **Termination of Rights as Stockholder**. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 3, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not the certificate(s) therefor have been delivered as required by this Agreement.

(g) **Assignment of Right of First Refusal**. The Board of Directors may freely assign the Company's Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall assume all of the Company's rights and obligations under this Section 3.

SECTION 4. OTHER RESTRICTIONS ON TRANSFER.

(a) **Transferee Representations**. In connection with the issuance and acquisition of Shares under this Agreement, the Transferee hereby represents and warrants to the Company as follows:

(i) The Transferee is acquiring and will hold the Transferred Shares for investment for his or her account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act.

(ii) The Transferee understands that the Transferred Shares have not been registered under the Securities Act by reason of a specific exemption therefrom and that the Transferred Shares must be held indefinitely, unless they are subsequently registered under the Securities Act or the Transferee obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required. The Transferee further acknowledges and understands that the Company is under no obligation to register the Transferred Shares.

(iii) The Transferee is aware of the adoption of Rule 144 by the Securities and Exchange Commission under the Securities Act, which permits limited public resales of securities acquired in a non-public offering, subject to the satisfaction of certain conditions, including (without limitation) the availability of certain current public information about the issuer, the resale occurring only after the holding period required by Rule 144 has been satisfied, the sale occurring through an unsolicited "broker's transaction," and the amount of securities being sold during any three-month period not exceeding specified limitations. The Transferee acknowledges and understands that the conditions for resale set forth in Rule 144 have not been satisfied and that the Company has no plans to satisfy these conditions in the foreseeable future.

(iv) The Transferee will not sell, transfer or otherwise dispose of the Transferred Shares in violation of the Securities Act, the Securities Exchange Act of 1934, or the rules promulgated thereunder, including Rule 144 under the Securities Act. The Transferee agrees that he or she will not dispose of the Transferred Shares unless and until he or she has complied with all requirements of this Agreement applicable to the disposition of Transferred Shares and he or she has provided the Company with written assurances, in substance and form satisfactory to the Company, that (A) the proposed disposition does not require registration of the Transferred Shares under the Securities Act or all appropriate action necessary for compliance with the registration requirements of the Securities Act or with any exemption from registration available under the Securities Act (including Rule 144) has been taken and (B) the proposed disposition will not result in the contravention of any transfer restrictions applicable to the Transferred Shares under applicable state law.

(v) The Transferee has been furnished with, and has had access to, such information as he or she considers necessary or appropriate for deciding whether to invest in the Transferred Shares, and the Transferee has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the issuance of the Transferred Shares.

(vi) The Transferee is aware that his or her investment in the Company is a speculative investment that has limited liquidity and is subject to the risk of complete loss. The Transferee is able, without impairing his or her financial condition, to hold the Transferred Shares for an indefinite period and to suffer a complete loss of his or her investment in the Transferred Shares.

(b) **Transfer Restrictions**. Regardless of whether the offering and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any State, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of the Transferred Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act, the securities laws of any State or any other law. Further, unless the Shares are readily tradeable on an established securities market, the transfer of any of the Shares

acquired pursuant to this Agreement (or any interest therein) shall, at the Company's request, be conditioned upon (i) effecting such transfer pursuant to a form of stock transfer agreement prescribed by the Company and (ii) payment of a transfer fee. In addition, any Shares acquired pursuant to this Agreement shall be subject to the transfer restrictions in Article XI of the Company's Bylaws, as amended, in addition to, and not in limitation of, any transfer restrictions imposed by this Agreement.

(c) **Market Stand-Off**. The Transferee or a Subsequent Transferee hereby agrees that he, she or it will not, without the prior written consent of the managing underwriter (in connection with the Company's first firm commitment underwritten public offering of its Stock on Form S-1 under the Securities Act (the "Initial Offering")) or the Company as unanimously approved by the Board of Directors (in connection with the Company's consummation of a merger, consolidation, share exchange or similar transaction or series of transactions with a publicly-traded "special purpose acquisition company or its subsidiary (collectively, a "SPAC") in which the common stock (or similar securities) of the SPAC or its successor entity is listed on the Nasdaq Stock Market, the New York Stock Exchange or another exchange or marketplace approved by the Board of Directors, immediately following the consummation of such transaction or series of transactions (such transaction or series of related transactions, the "SPAC Transaction")), during the period commencing on the date of (a) the effectiveness of the registration statement for the Initial Offering or (b) the closing of the SPAC Transaction, and ending on the date specified by the managing underwriter (for the Initial Offering) or the Company as unanimously approved by the Board of Directors (for a SPAC Transaction) (such period not to exceed one hundred eighty (180) days) (i) 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 shares of Stock or any securities convertible into or exercisable or exchangeable for Stock (or, in the case of a SPAC Transaction, any shares of the common stock or other share capital of the SPAC or any securities convertible into or exercisable or exchangeable, directly or indirectly, for such common stock or other share capital received in exchange for or as consideration in respect of any shares of Stock or any securities convertible into or exercisable or exchangeable for Stock ("SPAC Securities")) held immediately prior to consummation of the Initial Offering or acquired in connection with the SPAC Transaction, or (ii) engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) that is designed to, or that reasonably could be expected to, lead to or result in a sale or disposition (whether by the Transferee or a Subsequent Transferee or someone other than the Transferee or a Subsequent Transferee), or a transfer of any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock, the common stock or share capital of the SPAC or other securities, in cash or otherwise (such restriction, the "Market Stand-Off"). The Market Stand-Off shall in any event terminate two years after the date of (a) the consummation of the Company's first sale of Stock or other securities pursuant to a registration statement under the Securities Act (other than a registration statement relating either to sale of securities to employees of the Company pursuant to its stock option, stock purchase or similar plan or a Securities and Exchange Commission Rule 145 transaction), (b) the consummation of a Liquidation Transaction, as that term is defined in the Company's certificate of incorporation (as amended and/or restated from time to time), (c) the initial listing of the

Stock (or other equity securities of the Company into which the Stock converts) on the Nasdaq Stock Market, the New York Stock Exchange or another exchange or marketplace approved by the Board of Directors by means of an effective registration statement under the Securities Act filed by the Company with the Securities and Exchange Commission, without a related underwritten offering of such Stock (or other equity securities), or (d) the consummation of a SPAC Transaction. In the event of the declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Transferred Shares subject to the Market Stand-Off, or into which such Transferred Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The foregoing provisions of this Subsection (b) (I) shall apply only to the Initial Offering or SPAC Transaction, (II) shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, (III) shall not apply to transactions relating to Stock or other securities acquired in the Initial Offering or in open market transactions in connection with or after completion of the Initial Offering or SPAC Transaction, and (IV) shall not apply to a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Transferee's Immediate Family or to a trust established by the Transferee for the benefit of the Transferee and/or one or more members of the Transferee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company and furnished to the Company and the managing underwriter to be bound by all provisions of this Agreement. The underwriters in connection with the Initial Offering, and the SPAC in a SPAC Transaction, are intended third-party beneficiaries of this Subsection (b) and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. The Transferee and any Subsequent Transferee further agrees to execute such agreements as may be reasonably requested by the underwriters (in connection with the Initial Offering) and the SPAC (in connection with a SPAC Transaction) that are consistent with this Subsection (b) or that are necessary to give further effect thereto.

(d) **Rights of the Company**. The Company shall not be required to (i) transfer on its books any Transferred Shares that have been sold or transferred in contravention of this Agreement or (ii) treat as the owner of Transferred Shares, or otherwise to accord voting, dividend or liquidation rights to, any Subsequent Transferee to whom Transferred Shares have been transferred in contravention of this Agreement.

SECTION 5. SUCCESSORS AND ASSIGNS.

Except as otherwise expressly provided to the contrary, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and be binding upon the Transferee and the Transferee's legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person has become a party to this Agreement or has agreed in writing to join herein and to be bound by the terms, conditions and restrictions hereof.

SECTION 6. NO RETENTION RIGHTS.

Nothing in this Agreement or in the Plan shall confer upon the Transferee any right to continue providing services to the Company for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company or of the Transferee, which rights are hereby expressly reserved by each, to terminate his or her service at any time and for any reason, with or without cause.

SECTION 7. TAX ELECTION.

The acquisition of the Transferred Shares may result in adverse tax consequences that may be avoided or mitigated by filing an election under Code Section 83(b). Such election may be filed only within 30 days after the date of transfer set forth in the Summary of Stock Grant. The form for making the Code Section 83(b) election is attached to this Agreement as an Exhibit. **The Transferee should consult with his or her tax advisor to determine the tax consequences of acquiring the Transferred Shares and the advantages and disadvantages of filing the Code Section 83(b) election. The Transferee acknowledges that it is his or her sole responsibility, and not the Company's, to file a timely election under Code Section 83(b), even if the Transferee requests the Company or its representatives to make this filing on his or her behalf.**

SECTION 8. LEGENDS.

All certificates evidencing Transferred Shares shall bear the following legends:

"THE SHARES REPRESENTED HEREBY MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF A WRITTEN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER OF THE SHARES (OR THE PREDECESSOR IN INTEREST TO THE SHARES). SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES AND IMPOSES CERTAIN FORFEITURE CONDITIONS UPON TERMINATION OF SERVICE WITH THE COMPANY. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE BYLAWS OF THE CORPORATION. COPIES OF THE BYLAWS OF THE CORPORATION MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE CORPORATION."

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED."

If required by the authorities of any State in connection with the issuance of the Transferred Shares, the legend or legends required by such State authorities shall also be endorsed on all such certificates.

SECTION 9. NOTICE.

Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or (iii) deposit with Federal Express Corporation, with shipping charges prepaid. Notice shall be addressed to the Company at its principal executive office and to the Transferee at the address that he or she most recently provided to the Company in accordance with this Section 9.

SECTION 10. ENTIRE AGREEMENT.

The Summary of Stock Grant, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

SECTION 11. CHOICE OF LAW.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

SECTION 12. DEFINITIONS.

(a) "**Agreement**" shall mean this Stock Grant Agreement.

(b) "**Board of Directors**" shall mean the Board of Directors of the Company, as constituted from time to time or, if a Committee has been appointed, such Committee.

(c) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(d) "**Committee**" shall mean a committee of the Board of Directors, as described in Section 2 of the Plan.

(e) "**Company**" shall mean Blend Labs, Inc., a Delaware corporation.

(f) "**Consultant**" shall mean a person, excluding Employees and Outside Directors, who performs bona fide services for the Company, a Parent or a Subsidiary as a consultant or advisor and who qualifies as a consultant or advisor under Rule 701(c)(1) of the Securities Act or under Instruction A.1.(a)(1) of Form S-8 under the Securities Act.

(g) "**Employee**" shall mean any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

(h) "**Fair Market Value**" shall mean the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(i) "**Forfeiture Condition**" shall mean the forfeiture condition described in Section 2.

(j) "**Immediate Family**" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and shall include adoptive relationships.

(k) "**Outside Director**" shall mean a member of the Board of Directors who is not an Employee.

(l) "**Parent**" shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(m) "**Plan**" shall mean the Blend Labs, Inc. 2012 Stock Plan, as amended.

(n) "**Restricted Share**" shall mean a Transferred Share that is subject to the Forfeiture Condition.

(o) "**Right of First Refusal**" shall mean the Company's right of first refusal described in Section 3.
(p) "**Securities Act**" shall mean the Securities Act of 1933, as amended.

(q) "**Service**" shall mean service as an Employee, Outside Director or Consultant.

(r) "**Share**" shall mean one share of Stock, as adjusted in accordance with Section 8 of the Plan (if applicable).

(s) "**Stock**" shall mean the Common Stock of the Company.

(t) "**Subsequent Transferee**" shall mean any person to whom the Transferee has directly or indirectly transferred any Transferred Shares.

(u) "**Subsidiary**" shall mean any corporation (other than the Company) in an unbroken chain or corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(v) "**Summary of Stock Grant**" shall mean the document so entitled to which this Agreement is attached.

(w) "**Transferee**" shall mean the individual named in the Summary of Stock Grant.

(x) "**Transfer Notice**" shall mean the notice of a proposed transfer of Transferred Shares described in Section 3.

(y) "**Transferred Shares**" shall mean the Shares acquired by the Transferee pursuant to this Agreement.

SECTION 83(b) ELECTION

This statement is made under Section 83(b) of the Internal Revenue Code of 1986, as amended, pursuant to Treasury Regulations Section 1.83-2.

(1) The taxpayer who performed the services is:

Name:_____

Address:_____

_____

Social Security No.: _____

(2) The property with respect to which the election is made is _____ shares of the common stock of Blend Labs, Inc.

(3) The property was transferred on _____ __, ____.

(4) The taxable year for which the election is made is the calendar year ____.

(5) The property is subject to forfeiture if for any reason taxpayer's service with the issuer terminates. The forfeiture condition lapses in a series of installments over a ____-year period ending on _____ __, ____.

(6) The fair market value of such property at the time of transfer (determined without regard to any restriction other than a restriction that by its terms will never lapse) is $_____ per share.

(7) No amount was paid for such property.

(8) A copy of this statement was furnished to Blend Labs, Inc., for whom taxpayer rendered the services underlying the transfer of such property.

(9) This statement is executed on _____ __, ____.

_____ _____

Spouse (if any) Taxpayer

Within 30 days after the date of transfer, this election must be filed with the Internal Revenue Service Center where the Transferee files his or her federal income tax returns. The filing should be made by registered or certified mail, return receipt requested. The Transferee must (a) file a copy of the completed form with his or her federal tax return for the current tax year and (b) deliver an additional copy to the Company.

2020 Executive Bonus Plan

Plan Effective Date

This Incentive Compensation Plan (the "Plan") is effective during the 2020 plan year beginning on January 1, 2020 and expected to end December 31, 2020 unless other events occur outlined in the "liquidity event" section of this Agreement.

Subsequent Terms

This Plan is designed to reward contributions to company performance over a period of 12 months. If no replacement Plan is signed at the end of the Effective Period, then this Plan will automatically re-commence for a new term on the day following its expiration ("Subsequent Term"). The Subsequent Term of this Plan will continue for a period of 12 months or until otherwise communicated. The plan design may be updated and communicated following the start of the plan period.

Plan Design

Design of the Plan and related terms can be found in Appendix A. The Employee shall be entitled to be considered for a bonus under this Plan. However, the decision as to whether to pay a bonus, and the amount of any bonus, are entirely at the Company's absolute discretion. The Employee will not be entitled to be considered for a bonus if they have left the employment of the Company or is serving out any notice given by them or by the Company to terminate their employment at the date when any bonuses are in fact paid. It is expressly agreed that the fact that the employee may have received a bonus at any time does not give rise to any expectation or entitlement to receive any bonus in the future, or as to the size of any future bonus.

Eligibility for Bonus

The Participant is not required to be employed at time of payment, which will be no later than the 15th of February following the end of the Plan Period, in order to be eligible to earn any bonus.

Leave of Absence

Any approved protected or unprotected leaves of absences shall result in the bonus payment being prorated equivalent to the percentage of time spent on leave during the plan period.

Liquidity Event

Should the Company be subject to a liquidity event such as Initial Public Offering or Acquisition (the "Event"), the Plan will be dictated by the details in the Event. If the event does not specify the Plan treatment, then the target payment will be made and prorated to the date of the Event.

Changes to Compensation Plan

The Plan supersedes all previous incentive plans, terms or arrangements between Blend and the Participant, including but not limited to any provision on the Participant's offer letter. No statement in the Plan is to be construed as creating or implying any right to continued employment. Employee is an at-will employee. That means either Participant or Blend can terminate the employment relationship at any time, for any or no reason, with or without cause.

Employment

Nothing in the Plan shall be construed to create or imply the creation of an employment agreement for guaranteed or continued employment for any specific period of time.

To the extent permitted by law, the provision of any benefit as a result of the operation of the Plan does not create an obligation or guarantee that Blend will provide Participants with like benefits at any other time during employment with Blend. Unless prohibited by local law, any benefit paid as a result of the operation of the Plan will not form part of a Participant's remuneration for the purposes of calculating service-related entitlements including, but not limited to, payments in respect of annual or long-service leave, termination of employment or redundancy.

Termination of Employment

In the event of Participant's voluntary or involuntary termination, all measurement of performance under this Plan will cease. No bonus will be earned or paid under the terms of this Plan unless the end of the performance period is reached by the Participant (i.e., end of the Plan/Fiscal Year),] other events occur as outlined in the "liquidity event" section of this Plan, or a written agreement is entered into by and between Blend and the Participant.

Appendix A

Exhibit 10.5

BLEND LABS, INC.

EXECUTIVE INCENTIVE COMPENSATION PLAN

1. Purposes of the Plan. The Plan is intended to increase stockholder value and the success of the Company by motivating Employees to (a) perform to the best of their abilities and (b) achieve the Company's objectives.

2. Definitions.

2.1 "Actual Award" means as to any Performance Period, the actual award (if any) payable to a Participant for the Performance Period, subject to the authority of the Administrator (as defined in Section 3) under Section 4.4.

2.2 "Affiliate" means any corporation or other entity (including, but not limited to, partnerships and joint ventures) that, from time to time and at the time of any determination, directly or indirectly, is in control of or is controlled by the Company.

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

2.4 "Bonus Pool" means the pool of funds available for distribution to Participants. Subject to the terms of the Plan, the Administrator establishes the Bonus Pool for each Performance Period.

2.5 "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation or formal guidance of general or direct applicability promulgated under such section or regulation, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.6 "Committee" means a committee appointed by the Board (pursuant to Section 3) to administer the Plan.

2.7 "Company" means Blend Labs, Inc., a Delaware corporation, or any successor thereto.

2.8 "Company Group" means the Company and any Parents, Subsidiaries, and Affiliates.

2.9 "Disability" means a permanent and total disability determined in accordance with uniform and nondiscriminatory standards adopted by the Administrator from time to time.

2.10 "Employee" means any executive, officer, or other employee of the Company Group, whether such individual is so employed at the time the Plan is adopted or becomes so employed subsequent to the adoption of the Plan.

2.11 "Fiscal Year" means the fiscal year of the Company.

2.12 "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Code Section 424(e).

2.13 "Participant" means as to any Performance Period, an Employee who has been selected by the Administrator for participation in the Plan for that Performance Period.

2.14 "Performance Period" means the period of time for the measurement of the performance criteria that must be met to receive an Actual Award, as determined by the Administrator. A Performance Period may be divided into one or more shorter periods if, for example, but not by way of limitation, the Administrator desires to measure some performance criteria over twelve (12) months and other criteria over three (3) months.

2.15 "Plan" means this Executive Incentive Compensation Plan (including any appendix attached hereto), as may be amended from time to time.

2.16 "Section 409A" means Section 409A of the Code and/or any state law equivalent as each may be amended or promulgated from time to time.

2.17 "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Code Section 424(f), in relation to the Company.

2.18 "Target Award" means the target award, at one hundred percent (100%) of target level performance achievement, payable under the Plan to a Participant for a Performance Period, as determined by the Administrator in accordance with Section 4.2.

2.19 "Tax Withholdings" means tax, social insurance and social security liability or premium obligations in connection with the awards under the Plan, including without limitation: (a) all federal, state, and local income, employment and any other taxes (including the Participant's U.S. Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company Group, (b) the Participant's and, to the extent required by the Company Group, the fringe benefit tax liability of the Company Group associated with an award under the Plan, and (c) any other taxes or social insurance or social security liabilities or premium the responsibility for which the Participant has, or has agreed to bear, with respect to such award under the Plan.

2.20 "Termination of Employment" means a cessation of the employee-employer relationship between an Employee and the Company Group, including without limitation a termination by resignation, discharge, death, Disability, retirement, or the disaffiliation of a Parent, Subsidiary or Affiliate. For purposes of the Plan, transfer of employment of a Participant between any members of the Company Group (for example, between the Company and a Subsidiary) will not be deemed a Termination of Employment.

3. Administration of the Plan.

3.1 Administrator. The Plan will be administered by the Board or a Committee (the "Administrator"). To the extent necessary or desirable to satisfy applicable laws, the Committee acting as the Administrator will consist of not less than two (2) members of the Board.

The members of any Committee will be appointed from time to time by, and serve at the pleasure of, the Board. The Board may retain the authority to administer the Plan concurrently with a Committee and may revoke the delegation of some or all authority previously delegated. Different Administrators may administer the Plan with respect to different groups of Employees. Unless and until the Board otherwise determines, the Board's Compensation Committee will administer the Plan.

3.2 Administrator Authority. It will be the duty of the Administrator to administer the Plan in accordance with the Plan's provisions. The Administrator will have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (a) determine which Employees will be granted awards, (b) prescribe the terms and conditions of awards, (c) interpret the Plan and the awards, (d) adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees who are non-U.S. nationals or employed outside of the U.S. or to qualify awards for special tax treatment under the laws of jurisdictions other than the U.S., (e) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and (f) interpret, amend or revoke any such rules. Any determinations and decisions made or to be made by the Administrator pursuant to the provisions of the Plan, unless specified otherwise by the Administrator, will be in the Administrator's sole discretion.

3.3 Decisions Binding. All determinations and decisions made by the Administrator and/or any delegate of the Administrator pursuant to the provisions of the Plan will be final, conclusive, and binding on all persons, and will be given the maximum deference permitted by law.

3.4 Delegation by Administrator. The Administrator, on such terms and conditions as it may provide, may delegate all or part of its authority and powers under the Plan to one or more directors and/or officers of the Company. Such delegation may be revoked at any time.

3.5 Indemnification. Each person who is or will have been a member of the Administrator will be indemnified and held harmless by the Company against and from (a) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any award, and (b) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she will give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification will not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

4. Selection of Participants and Determination of Awards.

4.1 Selection of Participants. The Administrator will select the Employees who will be Participants for any Performance Period. Participation in the Plan will be on a Performance Period by Performance Period basis. Accordingly, an Employee who is a Participant for a given Performance Period in no way is guaranteed or assured of being selected for participation in any subsequent Performance Period or Performance Periods. No Employee will have the right to be selected to receive an award under this Plan or, if so selected, to be selected to receive a future award.

4.2 Determination of Target Awards. The Administrator may establish a Target Award for each Participant (which may be expressed as a percentage of a Participant's average annual base salary for the Performance Period or a fixed dollar amount or such other amount or based on such other formula or factors as the Administrator determines).

4.3 Bonus Pool. Each Performance Period, the Administrator may establish a Bonus Pool, which pool may be established before, during or after the applicable Performance Period. Actual Awards will be paid from the Bonus Pool (if a Bonus Pool has been established).

4.4 Discretion to Modify Awards. Notwithstanding any contrary provision of the Plan, the Administrator, at any time prior to payment of an Actual Award, may: (a) increase, reduce or eliminate a Participant's Actual Award, and/or (b) increase, reduce or eliminate the amount allocated to the Bonus Pool. The Actual Award may be below, at or above the Target Award, as determined by the Administrator. The Administrator may determine the amount of any increase, reduction, or elimination based on such factors as it deems relevant, and will not be required to establish any allocation or weighting with respect to the factors it considers.

4.5 Discretion to Determine Criteria. Notwithstanding any contrary provision of the Plan, the Administrator will determine the performance goals, if any, applicable to any Target Award (or portion thereof) which may include, without limitation, goals related to: attainment of research and development milestones; bookings; business divestitures and acquisitions; capital raising; cash flow; cash position; contract awards or backlog; corporate transactions; customer renewals; customer retention rates from an acquired company, subsidiary, business unit or division; earnings (which may include any calculation of earnings, including but not limited to earnings before interest and taxes, earnings before taxes, earnings before interest, taxes, depreciation and amortization and net taxes); earnings per share; expenses; financial milestones; gross margin; growth in stockholder value relative to the moving average of the S&P 500 Index or another index; internal rate of return; leadership development or succession planning; license or research collaboration arrangements; market share; net income; net profit; net sales; new product or business development; new product invention or innovation; number of customers; operating cash flow; operating expenses; operating income; operating margin; overhead or other expense reduction; patents; procurement; product defect measures; product release timelines; productivity; profit; regulatory milestones or regulatory-related goals; retained earnings; return on assets; return on capital; return on equity; return on investment; return on sales; revenue; revenue growth; sales bookings; sales results; sales growth; savings; stock price; time to market; total stockholder return; working capital; unadjusted or adjusted actual contract value; unadjusted or adjusted total contract value; and individual objectives such as peer reviews or other subjective or

objective criteria. As determined by the Administrator, the performance goals may be based on U.S. generally accepted accounting principles ("GAAP") or non-GAAP results and any actual results may be adjusted by the Administrator for one-time items or unbudgeted or unexpected items and/or payments of Actual Awards under the Plan when determining whether the performance goals have been met. The performance goals may be based on any factors the Administrator determines relevant, including without limitation on an individual, divisional, portfolio, project, business unit, segment or Company-wide basis. Any criteria used may be measured on such basis as the Administrator determines, including without limitation: (a) in absolute terms, (b) in combination with another performance goal or goals (for example, but not by way of limitation, as a ratio or matrix), (c) in relative terms (including, but not limited to, results for other periods, passage of time and/or against another company or companies or an index or indices), (d) on a per-share basis, (e) against the performance of the Company as a whole or a segment of the Company and/or (f) on a pre-tax or after-tax basis. The performance goals may differ from Participant to Participant and from award to award. Failure to meet the applicable performance goals will result in a failure to earn the Target Award, except as provided in Section 4.4.

5. Payment of Awards.

5.1 Right to Receive Payment. Each Actual Award will be paid solely from the general assets of the Company Group. Nothing in this Plan will be construed to create a trust or to establish or evidence any Participant's claim of any right other than as an unsecured general creditor with respect to any payment to which the Participant may be entitled.

5.1 Timing of Payment. Payment of each Actual Award will be made as soon as practicable after the end of the Performance Period to which the Actual Award relates and after the Actual Award is approved by the Administrator, but in no event after the later of (a) the fifteenth (15th) day of the third (3rd) month of the Fiscal Year immediately following the Fiscal Year in which the Participant's Actual Award first becomes no longer subject to a substantial risk of forfeiture, and (b) March 15 of the calendar year immediately following the calendar year in which the Participant's Actual Award first becomes no longer subject to a substantial risk of forfeiture. Unless otherwise determined by the Administrator, to earn an Actual Award a Participant must be employed by the Company Group on the date the Actual Award is paid, and in all cases subject to the Administrator's discretion pursuant to Section 4.4.

5.2 Form of Payment. Each Actual Award generally will be paid in cash (or its equivalent) in a single lump sum. The Administrator reserves the right to settle an Actual Award with a grant of an equity award with such terms and conditions, including any vesting requirements, as determined by the Administrator.

5.3 Payment in the Event of Death or Disability. If a Termination of Employment occurs due to a Participant's death or Disability prior to payment of an Actual Award that the Administrator has determined will be paid for a prior Performance Period, then the Actual Award will be paid to the Participant or the Participant's estate, as the case may be, subject to the Administrator's discretion pursuant to Section 4.4.

6. General Provisions.

6.1 Tax Matters.

6.1.1 Section 409A. It is the intent that this Plan be exempt from or comply with the requirements of Section 409A so that none of the payments to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms will be interpreted to be so exempt or so comply. Each payment under this Plan is intended to constitute a separate payment for purposes of Treasury Regulations Section 1.409A-2(b)(2). In no event will the Company Group have any liability, obligation, or responsibility to reimburse, indemnify or hold harmless any Participant or other Employee for any taxes, penalties or interest imposed, or other costs incurred, as a result of Section 409A.

6.1.2 Tax Withholdings. The Company Group will have the right and authority to deduct from any Actual Award all applicable Tax Withholdings. Prior to the payment of an Actual Award or such earlier time as any Tax Withholdings are due, the Company Group is permitted to deduct or withhold, or require a Participant to remit to the Company Group, an amount sufficient to satisfy any Tax Withholdings with respect to such Actual Award.

6.2 No Effect on Employment or Service. Neither the Plan nor any award under the Plan will confer upon a Participant any right regarding continuing the Participant's relationship as an Employee or other service provider to the Company Group, nor will they interfere with or limit in any way the right of the Company Group or the Participant to terminate such relationship at any time, with or without cause, to the extent permitted by applicable laws.

6.3 Forfeiture Events.

6.3.1 Clawback Policy; Applicable Laws. All awards under the Plan will be subject to reduction, cancellation, forfeiture, or recoupment in accordance with any clawback policy that the Company Group is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable laws. In addition, the Administrator may impose such other clawback, recovery or recoupment provisions with respect to an award under the Plan as the Administrator determines necessary or appropriate, including without limitation a reacquisition right in respect of previously acquired cash, stock, or other property provided with respect to an award. Unless this Section 6.3.1 is specifically mentioned and waived in a written agreement between a Participant and a member of the Company Group or other document, no recovery of compensation under a clawback policy will give the Participant the right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with a member of the Company Group.

6.3.2 Additional Forfeiture Terms. The Administrator may specify when providing for an award under the Plan that the Participant's rights, payments, and benefits with respect to the award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of the award. Such events may include, without limitation, termination of the Participant's status as an Employee for "cause" or any act by a Participant, whether before or after the Participant's status as an Employee terminates, that would constitute "cause."

6.3.3 Accounting Restatements. If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, then any Participant who knowingly or through gross negligence engaged in the misconduct, or who knowingly or through gross negligence failed to prevent the misconduct, and any Participant who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, will reimburse the Company Group the amount of any payment with respect to an award earned or accrued during the twelve (12) month period following the first public issuance or filing with the U.S. Securities and Exchange Commission (whichever first occurred) of the financial document embodying such financial reporting requirement.

6.4 Successors. All obligations of the Company under the Plan, with respect to awards under the Plan, will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

6.5 Nontransferability of Awards. No award under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution, and except as provided in Section 5.3. All rights with respect to an award granted to a Participant will be available during his or her lifetime only to the Participant.

7. Amendment, Termination, and Duration.

7.1 Amendment, Suspension, or Termination. The Administrator may amend or terminate the Plan, or any part thereof, at any time and for any reason. The amendment, suspension or termination of the Plan will not, without the consent of the Participant, alter or impair any rights or obligations under any Actual Award earned by such Participant. No award may be granted during any period of suspension or after termination of the Plan.

7.2 Duration of Plan. The Plan will commence on the date first adopted by the Board or the Compensation Committee of the Board, and subject to Section 7.1 (regarding the Administrator's right to amend or terminate the Plan), will remain in effect thereafter until terminated.

8. Legal Construction.

8.1 Gender and Number. Unless otherwise indicated by the context, any feminine term used herein also will include the masculine and any masculine term used herein also will include the feminine; the plural will include the singular and the singular will include the plural.

8.2 Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality, or unenforceability will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the invalid, illegal, or unenforceable provision had not been included.

8.3 Governing Law. The Plan and all awards will be construed in accordance with and governed by the laws of the State of California, but without regard to its conflict of law provisions. For purposes of litigating any dispute that arises under this Plan, a Participant's acceptance of an award is his or her consent to the jurisdiction of the State of California, and agreement that any such litigation will be conducted in San Francisco County, California, or the federal courts for the United States for the Northern District of California, and no other courts, regardless of where a Participant's services are performed.

8.4 Bonus Plan. The Plan is intended to be a "bonus program" as defined under U.S. Department of Labor regulations section 2510.3-2(c) and will be construed and administered in accordance with such intention.

8.5 Headings. Headings are provided herein for convenience only, and will not serve as a basis for interpretation or construction of the Plan.

9. Compliance with Applicable Laws. Awards under the Plan (including without limitation the granting of such awards) will be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

* * *

Exhibit 10.7

BLEND LABS, INC.

OUTSIDE DIRECTOR COMPENSATION POLICY

Adopted and approved June 16, 2021

Blend Labs, Inc. (the "**Company**") believes that the granting of compensation to its members of the Board of Directors (the "**Board**," and members of the Board, the "**Directors**") represents an effective tool to attract, retain, and reward Directors who are not employees of the Company (the "**Outside Directors**"). This Outside Director Compensation Policy (the "**Policy**") is intended to formalize the Company's policy regarding the compensation to its Outside Directors. Unless otherwise defined herein, capitalized terms used in this Policy will have the meaning given to such terms in the Company's 2021 Equity Incentive Plan (the "**Plan**"), or if the Plan is no longer in place, the meaning given to such terms or any similar terms in the equity plan then in place. Each Outside Director will be solely responsible for any tax obligations incurred by such Outside Director as a result of the payments such Outside Director receives under this Policy.

This Policy will be effective as of the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(b) of the Exchange Act, with respect to any class of the Company's securities (the "**Registration Statement**") (such date, the "**Effective Date**"), but no compensation will be paid hereunder prior to January 1, 2022 for anyone who is serving as an Outside Director as of the Effective Date.

1. COMPENSATION

Annual Retainer

Starting on January 1, 2022, each Outside Director who has not entered into an Outside Director Letter (as defined below) will be eligible to receive an annual retainer of $400,000 (the "**Annual Retainer**") for services performed during the then-current calendar year. There are no per-meeting attendance fees for attending Board meetings. Any portion of the Annual Retainer that the Outside Director does not elect to forego in favor of receiving Retainer Options (as defined below) in accordance with the provisions of Section 2 of this Policy will be paid in cash in approximately equal monthly installments on the fifteenth (15th) day of each calendar month in the then-current calendar year, subject to the individual continuing to remain an Outside Director on the applicable payment date.

If an individual first becomes an Outside Director after January 1 of any calendar year, such Outside Director will receive a pro-rated portion of the Annual Retainer with such pro-rated amount equal to the Annual Retainer multiplied by a fraction with a numerator equal to the number of calendar months remaining in the calendar year in which the individual first becomes an Outside Director (with the month the individual first becomes an Outside Director counted as a remaining calendar month) and a denominator equal to 12. For purposes of example only, if an individual first becomes an Outside Director on April 15, the Outside Director will receive an Annual Retainer of $300,000 or ((9/12) * $400,000) for such calendar year.

The Board in its discretion may change and otherwise revise the terms of the compensation granted under this Policy, including, without limitation, the amount of compensation to be paid, on or after the date the Board determines to make any such change or revision.

2. **ELECTION TO RECEIVE OPTIONS IN LIEU OF ANNUAL RETAINER**

Retainer Options

Each Outside Director may elect to convert all or a portion of his or her Annual Retainer into a number of Options ("**Retainer Options**," and such election, a "**Retainer Option Election**"). The number of Shares subject to each Retainer Option will be equal to the quotient of (i) 1/12th of the dollar value of the Annual Retainer that the Outside Director elects to forego over the course of the annual period covered by a Retainer Option Election in favor of receiving Retainer Options *divided by* (ii) the Value on the grant date of the applicable Retainer Option, provided that the number of Shares covered by each Retainer Option shall be rounded to the nearest whole Share using standard rounding principles (i.e., 0.5 or higher, round up, and below 0.5, round down). By way of example, if the Annual Retainer for the annual period covered by a Retainer Option Election is $400,000, and the Outside Director elects to convert 50% of the Annual Retainer into Retainer Options, and the Value to purchase one Share on the grant date of the applicable Retainer Option is $10, the Outside Director would receive a Retainer Option to purchase 1,667 Shares ((1/12th) * $200,000) / $10/Share = 1,667 Shares). Notwithstanding the foregoing, if an Outside Director first becomes an Outside Director after January 31 of a calendar year, the number of Shares subject to each Retainer Option will be calculated based on the number of Retainer Option grant dates remaining in the applicable calendar year. Retainer Options shall be subject to certain terms and conditions as provided for in Section 3 of this Policy.

Retainer Option Election Mechanics

Each Retainer Option Election must be submitted to Stock Administration in the form and manner specified by the Board or Compensation Committee. An individual who fails to make a timely Retainer Option Election shall not receive Retainer Options and instead shall receive the full Annual Retainer payable in cash. Retainer Option Elections must comply with the following timing requirements:

a. Initial Election. Each individual who first becomes an Outside Director may make a Retainer Option Election with respect to the Annual Retainer relating to services to be performed during the period commencing on the start of the individual's service as an Outside Director and ending on December 31 of the calendar year such individual first becomes an Outside Director (such election, the "**Initial Election**"). The Initial Election must be submitted to Stock Administration on or prior to the date that the individual first becomes an Outside Director (the "**Initial Election Deadline**"), and the Initial Election shall become irrevocable effective as of the Initial Election Deadline.

b. Annual Election. Subject to the last sentence of this paragraph, by no later than December 31 of each calendar year, or such earlier deadline as may be established by the

Board or the Compensation Committee, in its discretion (the "**Annual Election Deadline**"), each individual who is an Outside Director as of immediately prior to the Annual Election Deadline may make a Retainer Option Election with respect to Annual Retainers relating to services to be performed during the next calendar year (such period, an "**Annual Compensation Period**," and such election, the "**Annual Election**"). The Annual Election must be submitted to Stock Administration on or prior to the applicable Annual Election Deadline and shall become irrevocable effective as of the Annual Election Deadline. For avoidance of doubt, the Annual Election Deadline hereunder for the Annual Retainer earned for services performed during the Annual Compensation Period commencing on January 1, 2022 will be no later than December 31, 2021.

c. Change in Retainer Cash Payments. If an Outside Director makes a Retainer Option Election with respect to an Annual Retainer for a calendar year, but (i) if the Outside Director's Annual Retainer is increased during such period, the Outside Director must receive the increased amount of Annual Retainer in cash payable in accordance with the terms of Section 1 of this Policy, or (ii) if the Annual Retainer is decreased during such period, no change will be made to any already granted Retainer Option(s), with the number of Shares subject to any Retainer Options granted after such decrease adjusted to reflect the decrease.

Terms of Retainer Options

a. Grant Date. Each Retainer Option will be granted on the last calendar day of each month of the calendar year to which the Retainer Option Election applies, subject to the individual continuing to remain an Outside Director on the applicable grant date; provided, however, that if the last calendar day of the month is not a Trading Day, the Retainer Option will be granted on the previous Trading Day prior to such date.

b. Vesting Schedule. Each Retainer Option will be fully vested on the grant date.

c. Value. For purposes of this Policy, "**Value**" means, with respect to a Retainer Option, its grant date value calculated in accordance with the Black-Scholes option valuation methodology, or such other methodology the Board or Compensation Committee may determine prior to the grant of the Retainer Option becoming effective, as applicable.

d. Type of Option. Each Retainer Option will be a Nonstatutory Stock Option.

e. Term of Retainer Option. Each Retainer Option will have a 10-year term from the grant date, subject to earlier termination as provided in the Plan.

f. Fair Market Value. The exercise price per Share of each Retainer Option will equal 100% of the Fair Market Value of one Share on the grant date of such Retainer Option.

g. Automatic and Nondiscretionary. All grants of Retainer Options pursuant to Section 2 of this Policy will be automatic and nondiscretionary, except as otherwise provided herein, and will be made in accordance with the terms of the Plan, the form of stock option agreement adopted for use thereunder and this Policy.

3. TRAVEL EXPENSES

Each Outside Director's reasonable, customary, and documented travel expenses to Board meetings will be reimbursed by the Company.

4. ADDITIONAL PROVISIONS

All provisions of the Plan not inconsistent with this Policy will apply to Awards granted to Outside Directors.

5. LIMITATIONS

No Outside Director may be issued, in any Fiscal Year, cash payments (including under Section 1 above) or Awards (including Retainer Options) with a Value greater than $800,000. Any Awards or other compensation granted to an individual for his or her services as an Employee, or for his or her services as a Consultant other than an Outside Director, will be excluded for purposes of the limitations under this Section 5.

6. SECTION 409A

In no event will cash compensation or expense reimbursement payments under this Policy be paid after the later of (a) the fifteenth (15th) day of the third (3rd) month following the end of the Company's fiscal year in which the compensation is earned or expenses are incurred, as applicable, or (b) the fifteenth (15th) day of the third (3rd) month following the end of the calendar year in which the compensation is earned or expenses are incurred, as applicable, in compliance with the "short-term deferral" exception under Section 409A of the Internal Revenue Code of 1986, as amended, and the final regulations and guidance thereunder, as may be amended from time to time (together, "**Section 409A**"). It is the intent of this Policy that this Policy and all payments hereunder be exempt from or otherwise comply with the requirements of Section 409A so that none of the compensation to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or comply. In no event will the Company reimburse an Outside Director for any taxes imposed or other costs incurred as a result of Section 409A.

7. OUTSIDE DIRECTOR OFFER LETTERS

Notwithstanding the foregoing, if, as of the Effective Date, an Outside Director has entered into a letter agreement with the Company that governs his or her compensation as a member of the Board (such letter, an "**Outside Director Letter**"), such Outside Director will not be eligible to receive compensation under the terms of this Policy until the equity award or other compensation has fully vested or been earned. For the year in which the Outside Director has earned or otherwise vested in the totality of the compensation set forth in the Outside Director Letter, then for such calendar year the Outside Director will be entitled to receive a prorated amount of the Annual Retainer for such calendar year.

8. REVISIONS

The Board or any Committee designated by the Board may amend, alter, suspend, or terminate this Policy at any time and for any reason. No amendment, alteration, suspension, or termination of this Policy will materially impair the rights of an Outside Director with respect to compensation that already has been paid or awarded, unless otherwise mutually agreed between the Outside Director and the Company. Termination of this Policy will not affect the Board's or the Compensation Committee's ability to exercise the powers granted to it under the Plan with respect to Awards granted under the Plan pursuant to this Policy prior to the date of such termination.

Exhibit 10.12

BLEND LABS, INC.

March 29, 2021

Erin Collard

Re: Board of Directors of Blend Labs, Inc.

Dear Erin:

The purpose of this letter agreement is to document the compensation you will receive for your next two years of service as a member of the Board of Directors (the "Board") of Blend Labs, Inc. ("Blend" or the "Company"). We appreciate your valuable contributions as a member of the Board and look forward to continuing to work with you.

As you know, Blend is a Delaware corporation and, therefore, your rights and duties as a Board member are prescribed by Delaware law and our charter documents, as well as by the policies established by our Board from time to time. In the near-term, Blend may consider an initial public offering of its Class B common stock (the "IPO") and if it does, your rights and duties would be further governed by the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") and the stock exchange on which the Class B common stock is traded. Further, you would become a Section 16 reporting person of Blend. In addition, please note that, as a member of the Board, you are subject to the corporate policies of Blend, including any code of business conduct, communication policies and insider trading policies that may be adopted and/or amended from time-to-time. You may also be requested to serve as a director of one or more of our subsidiaries in which case you may be subject to other laws while serving in such a capacity.

As compensation for your next two years of service following the date of this letter, the Board will grant you an option (the "Option") to purchase 279,720 shares of the Company's Class B common stock (the "Shares"). The number of Shares subject to the Option was calculated by dividing $800,000 by the Company's current per Share fair market value, rounded down to the nearest whole Share. The exercise price per Share of the Option will be determined by the Board when the Option is granted, but will be no less than the per Share fair market value at the time of grant as determined by the Board. The Option will be issued under and subject to the terms and conditions applicable to awards granted under the Company's 2012 Stock Plan (the "Plan"), as described in the Plan and the applicable Stock Option Agreement. You will vest in the Option in equal monthly installments over your next twenty-four (24) months of continuous service with the Company, as described in the applicable Stock Option Agreement. If the Company is subject to a Change in Control (as defined in the Plan) before you cease to provide services to the Company, then you will immediately vest in 100% of the then unvested Shares subject to the Option immediately prior to the closing of the Change in Control.

We currently do not pay a cash retainer or cash fees for attendance at meetings. However, we will reimburse you for reasonable expenses that you incur in connection with attendance at meetings of the Board, or committees of the Board, in accordance with the Company's generally applicable reimbursement policies.

Please note that we are reviewing our compensation policy for Board members in anticipation of an IPO. In the event the Company adopts a formal director compensation policy, you acknowledge and agree that your compensation as a Board member will be governed by the terms of such policy.

In connection with your services to the Company, we expect that technical, business or financial information of the Company ("Confidential Information") will be disclosed to you. To the extent that Confidential Information is not publicly known or not otherwise previously known by you without an obligation of confidentiality, you agree to continue not to use (except in connection with your services to the Company) or disclose Confidential Information to any third party and to continue to take reasonable steps to maintain the confidential nature of all Confidential Information.

As a precautionary matter and to avoid any conflicts of interest, we ask you to continue to refrain, while you are a member of the Board, from providing advice or otherwise providing services to any competitor of the Company. In addition, we ask that you inform the Board of any potential or actual, direct or indirect, conflict of interest that you think exists or may arise because of your relationship with the Company, so that we may come to a quick and mutually agreeable resolution. By signing this letter agreement, you also represent and warrant that you have no contractual commitments or other legal obligations to a third party that would prohibit you from performing your duties for the Company.

As part of our overall responsibilities, the Company and the Company's stockholders reserve the right to remove any individual from the Board or any committee thereof at any time in accordance with the provisions of the Company's governing documents or applicable law. You, of course, may also terminate your relationship with the Company at any time. When you cease to be a member of the Board for any reason, you must return all Confidential Information to the Company.

* * * * *

I am excited about continuing to work with you on our Board and look forward to our continued efforts to help make the Company truly great and prosperous. You may indicate your agreement with these terms and accept this letter by signing and dating the enclosed duplicate original of this letter agreement and returning it to me.

Very truly yours,

BLEND LABS, INC.

By: /s/ Nima Ghamsari
Nima Ghamsari
CEO

I have read and accept the terms of this letter agreement:

/s/ Erin Collard
Signature of Erin Collard

Dated 3/30/2021

SIGNATURE PAGE TO BLEND LABS, INC.
BOARD DIRECTOR LETTER (ERIN COLLARD)

Exhibit 10.13

BLEND LABS, INC.

March 29, 2021

Roger Ferguson

Re: Board of Directors of Blend Labs, Inc.

Dear Roger:

As we have discussed, we expect that you will be elected as a member of the Board of Directors (the "Board") of Blend Labs, Inc. ("Blend" or the "Company"). We appreciate your willingness to accept this position, and we look forward to your valuable contributions.

As you may be aware, Blend is a Delaware corporation and, therefore, your rights and duties as a Board member are prescribed by Delaware law and our charter documents, as well as by the policies established by our Board from time to time. In the near-term, Blend may consider an initial public offering of its Class B common stock (the "IPO") and if it does, your rights and duties would be further governed by the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") and the stock exchange on which the Class B common stock is traded. Further, you would become a Section 16 reporting person of Blend. In addition, please note that, as a member of the Board, you will be subject to the corporate policies of Blend, including any code of business conduct, communication policies and insider trading policies that may be adopted and/or amended from time-to-time. You may also be requested to serve as a director of one or more of our subsidiaries in which case you may be subject to other laws while serving in such a capacity.

We are prepared to offer you compensation approximating $400,000 per year for the first two years of your term in the form of equity, cash, or a combination of the two, with the form of your compensation determined at the Company's sole discretion.

You have indicated a preference to receive a combination of cash and equity as compensation for the first year of your term. For the second year of your term, any request you make to receive your compensation in the form of cash, equity or a combination of the two, must be made in the calendar year prior to the year in which you are providing the services that are being compensated (that is, by no later than December 31, 2021 for the second year of your term). In the second year of your term, if you receive an equity award from the Company, the number of shares of Class B common stock ("Shares") subject to the equity award will be based on the-then per Share value of the Company's stock with similar vesting and acceleration terms as the Option (as defined below).

Following your appointment to the Board, as compensation for the first year of your term, the Company will pay you cash compensation of $100,000 paid in equal quarterly installments [in arrears], and at its next meeting following your appointment, the Board will grant you an option (the "Option") to purchase 104,895 Shares. The number of Shares subject to the Option was calculated by dividing $300,000 by the Company's current per Share fair market value, rounded down to the nearest whole Share. The exercise price per Share of the Option will be determined

by the Board when the Option is granted, but will be no less than the per Share fair market value at the time of grant as determined by the Board. The Option will be issued under and subject to the terms and conditions applicable to awards granted under the Company's 2012 Stock Plan (the "Plan"), as described in the Plan and the applicable Stock Option Agreement. You will vest in the Option in equal monthly installments over your first twelve (12) months of continuous service with the Company, as described in the applicable Stock Option Agreement. If the Company is subject to a Change in Control (as defined in the Plan) before you cease to provide services to the Company, then you will immediately vest in 100% of the then unvested Shares subject to the Option immediately prior to the closing of the Change in Control.

Except for the cash compensation provided above, we currently do not pay a cash retainer or cash fees for attendance at meetings. However, we will reimburse you for reasonable expenses that you incur in connection with attendance at meetings of the Board, or committees of the Board, in accordance with the Company's generally applicable reimbursement policies. We have also attached our indemnification agreement hereto as Exhibit A for your review and execution.

Please note that we are reviewing our compensation policy for Board members in anticipation of an IPO. In the event the Company adopts a formal director compensation policy, you acknowledge and agree that your compensation as a Board member will be governed by the terms of such policy and not the terms of this letter, except that we will ensure that for the second year of your Board service that you will be eligible to receive compensation of at least $400,000 as described above.

In connection with your services to the Company, we expect that technical, business or financial information of the Company ("Confidential Information") will be disclosed to you. To the extent that Confidential Information is not publicly known or not otherwise previously known by you without an obligation of confidentiality, you agree not to use (except in connection with your services to the Company) or disclose Confidential Information to any third party and to take reasonable steps to maintain the confidential nature of all Confidential Information.

As a precautionary matter and to avoid any conflicts of interest, we ask you to refrain, while you are a member of the Board, from providing advice or otherwise providing services to any competitor of the Company. In addition, we ask that you inform the Board of any potential or actual, direct or indirect, conflict of interest that you think exists or may arise because of your relationship with the Company, so that we may come to a quick and mutually agreeable resolution. By signing this letter agreement, you also represent and warrant that you have no contractual commitments or other legal obligations to a third party that would prohibit you from performing your duties for the Company.

As part of our overall responsibilities, the Company and the Company's stockholders reserve the right to remove any individual from the Board or any committee thereof at any time in accordance with the provisions of the Company's governing documents or applicable law. You, of course, may also terminate your relationship with the Company at any time. When you cease to be a member of the Board for any reason, you must return all Confidential Information to the Company.

* * * * *

I am excited about you joining our Board and look forward to working with you to help make the Company truly great and prosperous. You may indicate your agreement with these terms and accept this offer by signing and dating the enclosed duplicate original of this letter agreement and returning it to me.

Very truly yours,

BLEND LABS, INC.

By: /s/ Nima Ghamsari
Nima Ghamsari
CEO

I have read and accept this offer:

/s/ Roger Ferguson
Signature of Roger Ferguson

Dated: March 29, 2021

Exhibit A

Indemnification Agreement

Exhibit 10.17

OFFICE LEASE

500 PINE STREET

500 PINE STREET COMPANY LLC,
a Delaware limited liability company,
as Landlord,
and

BLEND LABS, INC.,

a Delaware corporation
as Tenant.

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500 PINE STREET

OFFICE LEASE

This Office Lease (the "**Lease**"), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the "**Summary**"), below, is made by and between 500 PINE STREET COMPANY LLC, a Delaware limited liability company ("**Landlord**"), and BLEND LABS, INC., a Delaware corporation ("**Tenant**").

SUMMARY OF BASIC LEASE INFORMATION

TERMS OF LEASE	DESCRIPTION
1. Date:	December 1, 2016
2. Premises	
2.1 Building:	That certain five (5) story building containing approximately 56,956 rentable square feet of space, located at 500 Pine Street, San Francisco, California 94108, and as further set forth in Section 1.1.2 of this Lease.
2.2 Premises:	Approximately 47,352 rentable square feet of space ("**RSF**") comprised of "Phase One" and "Phase Two," as those terms are set forth below.
2.2(a) Phase One:	Approximately 19,824 RSF comprising all of the rentable area on the fourth (4th) and fifth (5th) floors of the Building, as further set forth in **Exhibit A-1** to the Office Lease.
2.2(b) Phase Two:	Approximately 27,528 RSF comprising all of the rentable area on the second (2nd) and third (3rd) floors of the Building, as further set forth in **Exhibit A-2** to the Office Lease.
2.3 Project:	The Building is part of an office project currently known as "500 Pine", as further set forth in Section 1.1.2 of this Lease.
3. Lease Term (Article 2).	
3.1 Length of Term:	Approximately eight (8) years.
3.2 Phase One Commencement Date:	The occurrence of the "Delivery Date," as that term is defined in Section 5.1 of the Tenant Work Letter attached hereto as **Exhibit B**, for Phase One of the Premises, which Phase One Commencement Date is anticipated to be May 1, 2017.

3.3 Phase Two Commencement Date: The occurrence of the Delivery Date for Phase Two of the Premises, which Phase Two Commencement Date is anticipated to be June 1, 2017.

3.4 Lease Expiration Date: The day prior to the ninety-sixth (96th) "monthly" anniversary of the Phase Two Commencement Date, or if the Phase Two Commencement Date shall be other than the first day of a calendar month, then the last day of the month in which the ninety-sixth (96th) "monthly" anniversary of the Phase Two Commencement Date occurs.

4. Base Rent (Article 3):

4.1 Amount Due:

Lease Year	Annual Base Rent	Monthly Installment of Base Rent	Annual Rental Rate per Rentable Square Foot
1 (for Phase One only)	$1,229,088.00	$102,424.00	$ 62.00
1 (for Phase One and Phase Two collectively)	$2,935,824.00	$244,652.00	$ 62.00
2	$3,023,898.72	$251,991.56	$ 63.86
3	$3,114,814.56	$259,567.88	$ 65.78
4	$3,208,098.00	$267,341.50	$ 67.75
5	$3,304,222.56	$275,351.88	$ 69.78
6	$3,403,188.24	$283,599.02	$ 71.87
7	$3,505,468.56	$292,122.38	$ 74.03
8 (and continuing through the Lease Expiration Date)	$3,610,590.00	$300,882.50	$ 76.25

Note: The foregoing Base Rent amounts are subject to abatement as set forth in Section 3.2 of this Lease.

4.2 Rent Payment Address: 500 Pine Street Company LLC
c/o Lincoln Property Company
55 Francisco Street, Suite 450
San Francisco, California 94133

5. Intentionally omitted.

6. Tenants share (Article 4): Approximately 83.14% (comprised of 34.81% for Phase One and 48.33% for Phase Two).

7.	Permitted Use (Article 5)	General office use, consistent with the character of a first class office building (the "Permitted Use").
8.	Letter of Credit (Article 21):	$5,022,863.40.
9.	Parking Passes (Article 28)	Up to ten (10) unreserved parking passes.
10.	Address of Tenant (Section 29.18)	Blend Labs, Inc. 100 Montgomery Street, Suite 2500 San Francisco, California 94104 Attention: Erin Collard
		(Prior to Lease Commencement Date)
	and	Blend Labs, Inc. 500 Pine Street, Suite 200 San Francisco, California 94108 Attention: Erin Collard
		(After Lease Commencement Date)
11.	Address of Landlord (Section 29.18):	See Section 29.18 of the Lease.
12.	Broker (Section 29.24):	CBRE, Inc.
		and
		Jones Lang LaSalle
13.	Tenant Improvement Allowance (Section 2 of **Exhibit B**):	The "Tenant Improvements," as that term is defined in Section 1 of the Tenant Work Letter attached hereto as **Exhibit B**, shall be constructed by Landlord in accordance with the terms of such Tenant Work Letter.

1. PREMISES, BUILDING, PROJECT, AND COMMON AREAS

1.1 **Premises, Building, Project and Common Areas**.

1.1.1 **The Premises**. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises which are to be constructed by Landlord and are set forth in Section 2.2 of the Summary (the "**Premises**"). Notwithstanding the foregoing, Landlord and Tenant hereby acknowledge and agree that, as of the Lease Commencement Date, the "Premises" shall consist exclusively of Phase One and as of the Phase Two Commencement Date, the "Premises" shall consist of Phase One and Phase Two, collectively. The outline Phase One of the Premises is set forth in **Exhibit A-1** attached hereto. The outline Phase Two of the Premises is set forth in **Exhibit A-2** attached hereto. The parties hereto hereby acknowledge that the purpose of **Exhibits A-1** and **A-2** is to show the approximate location of Phase One and Phase Two of the Premises in the "Building," as that term is defined in Section 1.1.2, below, only, and such Exhibits are not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the "Common Areas," as that term is defined in Section 1.1.3, below, or the elements thereof or of the accessways to the Premises or the "Project," as that term is defined in Section 1.1.2, below. Except as specifically set forth in this Lease and in the Tenant Work Letter attached hereto as **Exhibit B** (the "**Tenant Work Letter**"), Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant's business, except as specifically set forth in this Lease and the Tenant Work Letter. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Building were at such time in sanitary order, condition and repair. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Project, Building and Premises have not undergone inspection by a Certified Access Specialist (CASp). Except in the event of an Emergency or as otherwise specifically required pursuant to Applicable Laws, Tenant shall be granted access to the Premises and the Building twenty-four (24) hours per day, seven (7) days per week, every day of the year during the Lease Term, subject to all Applicable Laws, Landlord's reasonable access control procedures, the Rules and Regulations, and the terms of this Lease.

1.1.2 **The Building and The Project**. The Premises are a part of the building set forth in Section 2.1 of the Summary (the "**Building**"). The Building is part of an office project known as "500 Pine." The term "**Project**," as used in this Lease, shall mean (i) the Building and the Common Areas, and (ii) the land (which is improved with landscaping, parking facilities and other improvements) upon which the Building and the Common Areas are located, and (iii) at Landlord's discretion, any additional real property, areas, land, buildings or other improvements added thereto outside of the Project.

1.1.3 **Common Areas**. Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 5 of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, including certain areas designated for the exclusive use of certain tenants, or to be shared by Landlord and certain tenants, are collectively referred to herein as the "**Common Areas**"). The Common Areas shall consist of the "**Project Common Areas**" and the "**Building Common Areas**." The term "Project Common Areas," as used in this Lease, shall mean the areas in the Project available for use by Tenant in common with all users of the Project. The term "**Building Common Areas**," as used in this Lease, shall mean the portions of the Common Areas located within the Building designated as such by Landlord. The manner in which the Common Areas are maintained and operated shall be at the sole discretion of Landlord and the use thereof shall be subject to such reasonable rules, regulations and restrictions as Landlord may make from time to time. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas, provided, however, that Landlord shall not unreasonably interfere with Tenant's use of or access to the Premises.

1.1.4 **Patio Area**. Subject to the terms and conditions contained in this Section 1.1.4 and elsewhere in this Lease, commencing as of the Lease Commencement Date, Tenant shall have an exclusive license during the Lease Term to use that certain patio area adjacent to and accessible from the Premises as more particularly shown on **Exhibit A** attached hereto (the "**Patio Area**"). The Patio Area shall not be included in the rentable square feet of the Premises for purposes of this Lease. The license to use the Patio Area granted to Tenant shall not be assigned, sublet or otherwise transferred in any way or manner, except as part of an assignment of this Lease or a sublease comprising of at least the entire fifth (5th) floor of the Premises. Tenant shall accept the Patio Area in its "as-is" condition, and Landlord shall not be obligated to provide or pay for any work or services related to the improvement of the Patio Area. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Patio Area or the compliance of the Patio Area with any Applicable Laws; provided, however, that Landlord shall be responsible for causing the Patio Area to comply with any such Applicable Laws. Landlord shall provide normal janitorial services to the Patio Area and the cost thereof shall be included in Operating Expenses. Landlord shall maintain the Patio Area as part of the "Building Structure," as that term is defined in Article 7, below, in accordance with the terms of such Article 7, below, and shall have the right to make any and all necessary repairs, replacements and improvements to the Patio Area. Tenant shall not place on or affix to the Patio Area any furniture, fixtures, plants or other items of any kind or nature whatsoever without Landlord's prior written approval, which approval shall not be unreasonably withheld, but which approval or disapproval shall be given within five (5) business days (and if not given within such five (5) business day period, shall be deemed approved). Notwithstanding Landlord's review and approval (or deemed approval) of any items placed or affixed on the Patio Area, Tenant shall remain solely liable for any liability arising out of the placement or affixing of the same, and Landlord shall have no liability in connection therewith. Tenant shall not be permitted to display any graphics, signs or insignias or the like on the Patio Area. Tenant's use of the Patio Area shall be subject to such additional rules, regulations and restrictions as Landlord may reasonable make from time to time concerning the Patio Area. Except as expressly set forth in this Section 1.1.4, all of the provisions contained in this Lease pertaining to the Premises and Tenant's use thereof shall apply equally to the Patio Area and Tenant's use thereof, including, without limitation, Tenant's indemnity of Landlord set forth in Section 10.1, below, Tenant's insurance obligations set forth in Article 10, below, and Tenant's obligations to comply with Applicable Laws set forth in Article 24, below.

1.2 **Verification of Rentable Square Feet of Premises and Building**. For purposes of this Lease, "rentable square feet" of the Premises shall be deemed as set forth in Section 2.2 of the Summary and shall not be subject to remeasurement or modification.

2. LEASE TERM; OPTION TERM.

2.1 **Lease Term**. The terms and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the "**Lease Term**") shall be as set forth in Section 3.1 of the Summary, shall commence on the date set forth in Section 3.2 of the Summary (the "**Lease Commencement Date**"), and shall terminate on the date set forth in Section 3.4 of the Summary (the "**Lease Expiration Date**") unless this Lease is sooner terminated as hereinafter provided. For purposes of this Lease, the term "**Lease Year**" shall mean each consecutive twelve (12) month period during the Lease Term; provided, however, that the first Lease Year shall commence on the Lease Commencement Date and end on the last day of the twelfth full calendar month thereafter and the second and each succeeding Lease Year shall commence on the first day of the next calendar month; and further provided that the last Lease Year shall end on the Lease Expiration Date. At any time during the Lease Term, Landlord may deliver to Tenant a notice in the form as set forth in **Exhibit C**, attached hereto, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within ten (10) business days of receipt thereof.

2.2 **Option Term**.

2.2.1 **Option Right**. Landlord hereby grants the Tenant originally named in this Lease (the "**Original Tenant**") and any "Permitted Transferee Assignee" (as that term is defined in Section 14.8 below) one (1) option to extend the Lease Term for a period of five (5) years (the "**Option Term**"). Such option shall be exercisable only by "Notice" (as that term is defined in Section 29.18 of this Lease) delivered

by Tenant to Landlord as provided below, provided that, as of the date of delivery of such Notice, (i) Tenant is not then in default under this Lease, beyond the expiration of any applicable notice and cure periods set forth in this Lease, and (ii) Tenant has not been in monetary or material non-monetary default under this Lease ("**Material Default**"), beyond any applicable notice and cure periods set forth in this Lease, more than two (2) times during the Lease Term. Upon the proper exercise of such option to extend, and provided that, at Landlord's election, as of the end of the Lease Term, (A) Tenant is not in default under this Lease, beyond the expiration of any applicable notice and cure periods set forth in this Lease, and (B) Tenant has not been in Material Default under this Lease, beyond any applicable notice and cure periods set forth in this Lease, more than two (2) times during the Lease Term, then the Lease Term, as it applies to the entire Premises, shall be extended for a period of five (5) years. The rights contained in this Section 2.2 shall only be exercised by the Original Tenant or its Permitted Transferee Assignee (and not any other assignee, sublessee or other transferee of the Original Tenant's interest in this Lease) if Original Tenant and/or its Permitted Transferee Assignee is in occupancy of the entire Premises. In the event that Tenant fails to timely and appropriately exercise its option to extend in accordance with the terms of this Section 2.2, then the option to extend granted to Tenant pursuant to the terms of this Section 2.2 shall automatically terminate and shall be of no further force or effect.

2.2.2 **Option Rent**. The Rent payable by Tenant during the Option Term (the "**Option Rent**") shall be equal to the "**Market Rent**," as that term is defined in **Exhibit G**, attached hereto, as such Market Rent is determined pursuant to **Exhibit G**, attached hereto; provided, however, that in any event the Option Rent shall be equal to or greater than the rent required by any of Landlord's current or future lenders in order to meet any minimum income, debt service coverage ratios, or similar revenue and/or income thresholds (the "**Lender Required Minimum Rent**"); provided, however, that no earlier than fifteen (15) months prior to the expiration of the initial Lease Term, Landlord shall provide notice to Tenant setting forth the Lender Required Minimum Rent as of the commencement of the Option Term. The calculation of the "**Market Rent**" shall be derived from a review of, and comparison to, the "Net Equivalent Lease Rates" of the "Comparable Transactions," as provided for in **Exhibit G**, and, thereafter, the Market Rent shall be stated as a "Net Equivalent Lease Rate" for the Option Term.

2.2.3 **Exercise of Option**. The option contained in this Section 2.2 shall be exercised by Tenant, if at all, and only in the following manner: (i) Tenant shall deliver written notice (the "**Option Exercise Notice**") to Landlord not more than fifteen (15) months nor less than twelve (12) months prior to the expiration of the initial Lease Term, stating that Tenant is irrevocably exercising its option; (ii) Landlord shall, within thirty (30) days following Landlord's receipt of the Option Exercise Notice, deliver notice (the "**Option Rent Notice**") to Tenant setting forth the Option Rent; and (iii) Tenant shall, on or before the date occurring thirty (30) days after Tenant's receipt of the Option Rent Notice, deliver written notice to Landlord of Tenant's acceptance or rejection of the Option Rent set forth in the Option Rent Notice. If fails to accept or reject the Option Rent set forth in the Option Rent Notice, then Tenant shall be deemed to have rejected the Option Rent set forth in the Option Rent Notice.

2.2.4 **Determination of Option Rent**. In the event Tenant timely and appropriately exercises its option to extend the Lease but rejects, or is deemed to have rejected, the Option Rent set forth in the Option Rent Notice pursuant to Section 2.2.3, above, then Landlord and Tenant shall attempt to agree upon the Option Rent using their best good-faith efforts. If Landlord and Tenant fail to reach agreement upon the Option Rent applicable to the Option Term on or before the date that is ninety (90) days prior to the expiration of the initial Lease Term (the "**Outside Agreement Date**"), then the Option Rent shall be determined by arbitration pursuant to the terms of this Section 2.2.4. Each party shall make a separate determination of the Option Rent, within five (5) days following the Outside Agreement Date, and such determinations shall be submitted to arbitration in accordance with Sections 2.2.4.1 through 2.2.4.4, below.

2.2.4.1 Landlord and Tenant shall each appoint one arbitrator who shall by profession be a MAI appraiser, real estate broker or real estate lawyer who shall have been active over the five (5) year period ending on the date of such appointment in the appraising and/or leasing of first class office properties in the vicinity of the Building. The determination of the arbitrators shall be limited solely to the issue area of whether Landlord's or Tenant's submitted Option Rent is the closest to the actual Option

Rent as determined by the arbitrators, taking into account the requirements of Section 2.2.2 of this Lease. Each such arbitrator shall be appointed within fifteen (15) days after the Outside Agreement Date. Landlord and Tenant may consult with their selected arbitrators prior to appointment and may select an arbitrator who is favorable to their respective positions (including an arbitrator who has previously represented Landlord and/or Tenant, as applicable). The arbitrators so selected by Landlord and Tenant shall be deemed "**Advocate Arbitrators**."

2.2.4.2 The two Advocate Arbitrators so appointed shall be specifically required pursuant to an engagement letter within ten (10) days of the date of the appointment of the last appointed Advocate Arbitrator to agree upon and appoint a third arbitrator ("**Neutral Arbitrator**") who shall be qualified under the same criteria set forth hereinabove for qualification of the two Advocate Arbitrators except that (i) neither the Landlord or Tenant or either parties' Advocate Arbitrator may, directly or indirectly, consult with the Neutral Arbitrator prior or subsequent to his or her appearance, and (ii) the Neutral Arbitrator cannot be someone who has represented Landlord and/or Tenant during the five (5) year period prior to such appointment. The Neutral Arbitrator shall be retained via an engagement letter jointly prepared by Landlord's counsel and Tenant's counsel.

2.2.4.3 Within ten (10) days following the appointment of the Arbitrator, Landlord and Tenant shall enter into an arbitration agreement (the "**Arbitration Agreement**") which shall set forth the following:

2.2.4.3.1 Each of Landlord's and Tenant's best and final and binding determination of the Option Rent exchanged by the parties pursuant to Section 2.2.4, above;

2.2.4.3.2 An agreement to be signed by the Neutral Arbitrator, the form of which agreement shall be attached as an exhibit to the Arbitration Agreement, whereby the Neutral Arbitrator shall agree to undertake the arbitration and render a decision in accordance with the terms of this Lease, as modified by the Arbitration Agreement, and shall require the Neutral Arbitrator to demonstrate to the reasonable satisfaction of the parties that the Neutral Arbitrator has no conflicts of interest with either Landlord or Tenant;

2.2.4.3.3 Instructions to be followed by the Neutral Arbitrator when conducting such arbitration;

2.2.4.3.4 That Landlord and Tenant shall each have the right to submit to the Neutral Arbitrator (with a copy to the other party), on or before the date that occurs fifteen (15) days following the appointment of the Neutral Arbitrator, an advocate statement (and any other information such party deems relevant) prepared by or on behalf of Landlord or Tenant, as the case may be, in support of Landlord's or Tenant's respective determination of Option Rent (the "**Briefs**");

2.2.4.3.5 That within five (5) business days following the exchange of Briefs, Landlord and Tenant shall each have the right to provide the Neutral Arbitrator (with a copy to the other party) with a written rebuttal to the other party's Brief (the "**First Rebuttals**"); provided, however, such First Rebuttals shall be limited to the facts and arguments raised in the other party's Brief and shall identify clearly which argument or fact of the other party's Brief is intended to be rebutted;

2.2.4.3.6 That within five (5) business days following the parties' receipt of each other's First Rebuttal, Landlord and Tenant, as applicable, shall each have the right to provide the Neutral Arbitrator (with a copy to the other party) with a written rebuttal to the other party's First Rebuttal (the "**Second Rebuttals**"); provided, however, such Second Rebuttals shall be limited to the facts and arguments raised in the other party's First Rebuttal and shall identify clearly which argument or fact of the other party's First Rebuttal is intended to be rebutted;

2.2.4.3.7 The date, time and location of the arbitration, which shall be mutually and reasonably agreed upon by Landlord and Tenant, taking into consideration the schedules of the Neutral Arbitrator, the Advocate Arbitrators, Landlord and Tenant, and each party's applicable consultants, which date shall in any event be within forty-five (45) days following the appointment of the Neutral Arbitrator;

2.2.4.3.8 That no discovery shall take place in connection with the arbitration, other than to verify the factual information that is presented by Landlord or Tenant;

2.2.4.3.9 That the Neutral Arbitrator shall not be allowed to undertake an independent investigation or consider any factual information other than presented by Landlord or Tenant, except that the Neutral Arbitrator shall be permitted to visit the Project and the buildings containing the Comparable Transactions;

2.2.4.3.10 The specific persons that shall be allowed to attend the arbitration;

2.2.4.3.11 Tenant shall have the right to present oral arguments to the Neutral Arbitrator at the arbitration for a period of time not to exceed three (3) hours ("**Tenant's Initial Statement**");

2.2.4.3.12 Following Tenant's Initial Statement, Landlord shall have the right to present oral arguments to the Neutral Arbitrator at the arbitration for a period of time not to exceed three (3) hours ("**Landlord's Initial Statement**");

2.2.4.3.13 Following Landlord's Initial Statement, Tenant shall have up to two (2) additional hours to present additional arguments and/or to rebut the arguments of Landlord ("**Tenant's Rebuttal Statement**");

2.2.4.3.14 Following Tenant's Rebuttal Statement, Landlord shall have up to two (2) additional hours to present additional arguments and/or to rebut the arguments of Tenant ("**Landlord's Rebuttal Statement**");

2.2.4.3.15 That, not later than ten (10) days after the date of the arbitration, the Neutral Arbitrator shall render a decision (the "**Ruling**") indicating whether Landlord's or Tenant's submitted Option Rent is closer to the Option Rent;

2.2.4.3.16 That following notification of the Ruling, Landlord's or Tenant's submitted Option Rent determination, whichever is selected by the Neutral Arbitrator as being closer to the Option Rent shall become the then applicable Option Rent; and

2.2.4.3.17 That the decision of the Neutral Arbitrator shall be binding on Landlord and Tenant.

If a date by which an event described in Section 2.2.4.3, above, is to occur falls on a weekend or a holiday, the date shall be deemed to be the next business day.

2.2.4.4 In the event that the Option Rent shall not have been determined pursuant to the terms hereof prior to the commencement of the Option Term, Tenant shall be required to pay the Option Rent, initially provided by Landlord to Tenant, and upon the final determination of the Option Rent, the payments made by Tenant shall be reconciled with the actual amounts due, and the appropriate party shall make any corresponding payment to the other party.

3. BASE RENT; RENT ABATEMENT.

3.1 **Base Rent**. Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the address set forth in Section 4.3 of the Summary, or, at Landlord's option, at such other place as Landlord may from time to time designate in writing, by a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("**Base Rent**") as set forth in Sections 4.1 and 4.2 of the Summary, payable in equal monthly installments as set forth in Sections 4.1 and 4.2 of the Summary, in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever. The Base Rent for the first full month of the Lease Term which occurs after the expiration of any free rent period shall be paid at the time of Tenant's execution of this Lease. If any Rent payment date (including the Lease Commencement Date) falls on a day of the month other than the first day of such month or if any payment of Rent is for a period which is shorter than one month, the Rent for any fractional month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of the Lease Term at a rate per day which is equal to 1/365 of the applicable annual Rent. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis. Base Rent is due on the first day of each month of the Lease Term and, if applicable, Option Term.

3.2 **Base Rent Abatement**. Provided that Tenant is not then in Material Default of this Lease, after the expiration of any applicable notice and cure periods set forth in this Lease, then during the twelve (12) month period commencing on the first day of the first (1st) full calendar month of the Lease Term and continuing through and including the last day of the twelfth (12th) full calendar month of the Lease Term (the "**Base Rent Abatement Period**"), Tenant shall not be obligated to pay any Base Rent otherwise attributable to the Premises during such Base Rent Abatement Period (the "**Base Rent Abatement**"). Tenant acknowledges and agrees that during such Base Rent Abatement Period, such abatement of Base Rent for the Premises shall have no effect on the calculation of any future increases in Base Rent payable by Tenant pursuant to the terms of this Lease, which increases shall be calculated without regard to such Base Rent Abatement. Additionally, Tenant shall be obligated to pay all "Additional Rent" (as that term is defined in Section 4.1 of this Lease) during the Base Rent Abatement Period. Tenant acknowledges and agrees that the foregoing Base Rent Abatement has been granted to Tenant as additional consideration for entering into this Lease, and for agreeing to pay the Rent and performing the terms and conditions otherwise required under this Lease. If this Lease is terminated following Tenant's default of any of the terms of this Lease, then the dollar amount of the unapplied portion of the Base Rent Abatement as of the date of such default or termination, as the case may be, shall be converted to a credit to be applied to the Rent applicable at the end of the Lease Term and Tenant shall immediately be obligated to begin paying Rent for the Premises in full. The foregoing Base Rent Abatement right set forth in this Section 3.2 shall be personal to the Original Tenant or its Permitted Transferee Assignee and shall only apply to the extent that the Original Tenant or its Permitted Transferee Assignee (and not any other assignee, or any sublessee or other transferee of the Original Tenant's interest in this Lease) is the Tenant under this Lease during such Base Rent Abatement Period.

3.3 **Delay in Delivery Date**.

3.3.1 **Rent Credit**. Subject to the terms and provisions of this Section 3.3 below, in the event that the Delivery Date for Phase One of the Premises does not occur on or prior to May 1, 2017 (the "**Phase One Outside Date**"), then Tenant shall be entitled to a credit against Rent in an amount equal to one day of Base Rent and Tenant's Share of Direct Expenses for the portion of the Phase One of the Premises not delivered to Tenant for each day commencing on the Phase One Outside Date (which shall be subject to extension on a day-for-day basis on account of any Force Majeure or Tenant Delay) and ending on the date immediately preceding the date upon which the Delivery Date for the portion of the Premises not previously delivered occurs, and such credit shall be applied against the Rent first coming due under this Lease. Further, subject to the terms and provisions of this Section 3.3 below, in the event that the Delivery Date for Phase Two of the Premises does not occur on or prior to June 1, 2017 (the "**Phase Two Outside Date**"), then Tenant shall be entitled to a credit against Rent in an amount equal to one day of Base Rent and Tenant's Share of Direct Expenses for the portion of Phase Two of the Premises not delivered to Tenant for each day commencing on the Phase Two Outside Date (which shall be subject to extension on a day-for-day basis on account of any Force Majeure or Tenant Delay) and ending on the date immediately preceding the date upon which the Delivery Date for the portion of the Premises not previously delivered occurs, and such credit shall be applied against the Rent first coming due under this

Lease. Except as expressly set forth in Section 3.3.2 below, the credit against Base Rent granted hereunder shall be Tenant's sole and exclusive remedy at law and in equity for the failure of Landlord to cause the Delivery Date for any portion of the Premises to occur on or prior to the Phase One Outside Date or Phase Two Outside Date, as applicable. Notwithstanding the foregoing, the Phase One Outside Date and Phase Two Outside Date shall be extended on a day for day basis on account of any event of "Force Majeure", as that term is defined in Section 29.16 below, or any "Tenant Delay", as that term is defined in Section 5.2 of the Tenant Work Letter.

3.3.2 **Termination Right**. Except as specifically provided below, this Lease shall not be void or voidable as a result of Landlord's failure to cause the Delivery Date to occur by any particular date. If no Delivery Date has occurred on or prior to October 31, 2017 (the "**Termination Outside Date**"), then Tenant shall have the one-time right (the "**Termination Right**") to terminate this Lease upon written notice to Landlord (the "**Termination Notice**"), which Termination Notice shall be delivered on any date (the "**Termination Date**") following the Termination Outside Date and prior to the Delivery Date for the entirety of the Premises. In addition, in no event may Tenant exercise the Termination Right if, at the time Tenant delivers the Termination Notice to Landlord, Tenant is in default under this Lease beyond any applicable notice and cure periods set forth in this Lease. In the event that this Lease is terminated pursuant to the terms of this Section 3.3.2, this Lease shall automatically terminate and be of no further force or effect, and Landlord and Tenant shall be relieved of their respective obligations under this Lease as of the Termination Date, with the same force and effect as if this Lease were scheduled to expire in accordance with its terms as of such Termination Date, subject to the provisions of this Lease which expressly survive the expiration or earlier termination of this Lease, and Landlord shall, within thirty (30) days following the Termination Date, return to Tenant any amounts previously paid by Tenant to Landlord in accordance with Section 3.1 above and any "L-C" as that term is defined in Section 21.1 below, delivered in accordance with Article 21 of this Lease. Notwithstanding the foregoing, except as specifically set forth in this Section 3.3.2, Tenant shall remain liable with respect to the period prior to the Termination Date for the performance of all of its obligations under this Lease and Landlord shall have all the rights and remedies with respect to such obligations as set forth in this Lease. Landlord shall have no liability whatsoever to Tenant relating to or arising from Landlord's inability or failure to deliver, or Landlord's delay in delivering, the Premises to Tenant. Notwithstanding the foregoing, the Termination Outside Date shall be extended on a day for day basis on account of any event of Force Majeure or any Tenant Delay.

4. ADDITIONAL RENT

4.1 **General Terms**. In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall pay "Tenant's Share" of the annual "Direct Expenses," as those terms are defined in Sections 4.2.6 and 4.2.2 of this Lease, respectively. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms of this Lease, are hereinafter collectively referred to as the "**Additional Rent**", and the Base Rent and the Additional Rent are herein collectively referred to as "**Rent**." All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner as the Base Rent. Without limitation on other obligations of Tenant which survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term.

4.2 **Definitions of Key Terms Relating to Additional Rent**. As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 Intentionally omitted.

4.2.2 "**Direct Expenses**" shall mean "Operating Expenses" and "Tax Expenses."

4.2.3 "**Expense Year**" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires.

4.2.4 "**Operating Expenses**" shall mean all expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Project, or any portion thereof. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (i) the cost of supplying all utilities, the cost of operating, repairing, maintaining, and renovating the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of contesting any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with a transportation system management program or similar program; (iii) the cost of all insurance carried by Landlord in connection with the Project; (iv) the cost of landscaping, relamping, and all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Project, or any portion thereof; (v) costs incurred in connection with the parking areas servicing the Project; (vi) fees and other costs, including management fees, consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance and repair of the Project; (vii) payments under any equipment rental agreements and the fair rental value of any management office space; (viii) wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Project; (ix) payments, fees or charges under any easement, license, operating agreement, declaration, restrictive covenant, or any instrument pertaining to the sharing of costs by the Project, or any portion thereof; (x) operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Building; (xi) the cost of janitorial, alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (xii) amortization (including interest on the unamortized cost) of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof; (xiii) the cost of capital improvements, capital repairs, or other costs incurred in connection with the Project (A) which are intended to effect economies in the operation or maintenance of the Project, or any portion thereof, (B) that are required to comply with present or anticipated conservation programs, (C) which are replacements or modifications of nonstructural items located in the Common Areas required to keep the Common Areas in good order or condition, (D) that are required under any governmental law or regulation which have not been enacted and enforced as of the Lease Commencement Date or (E) or which are required due to the acts or omissions of Tenant, or of the contractors, agents, servants, employees, invitees, guests or licensees of Tenant; provided, however, that any capital expenditure shall be amortized with interest over its useful life as Landlord shall reasonably determine; (xiv) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section 4.2.5, below; and (xv) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Building. Notwithstanding anything to the contrary in this Lease, the following items shall be excluded from Operating Expenses:

(a) any items included in Tax Expenses;

(b) except as permitted pursuant to items (xii) and (xiii), above, principal or interest on indebtedness, debt amortization or ground rent paid by Landlord in connection with any mortgages, deeds of trust or other financing encumbrances, or ground leases of the Building or the Project;

(c) capital improvements, capital repairs, or other capital expenditures, as defined under generally accepted real estate management and accounting principles to the Building or the Project, other than those permitted pursuant to items (xii) and (xiii), above (and for purposes of clarification only, Landlord and Tenant hereby agree that a full replacement (expressly not including any standard repairs and maintenance) of the roof membrane shall be deemed a capital expenditure for purposes of this Lease);

(d) legal, auditing, consulting and professional fees and other costs paid or incurred in connection with financings, refinancings or sales of any interest in Landlord or of Landlord's interest in the Building or the Project or in connection with any ground lease (including, without limitation, recording costs, mortgage recording taxes, title insurance premiums and other similar costs, but excluding those legal, auditing, consulting and professional fees and other costs incurred in connection with the normal and routine maintenance and operation of the Building and/or the Project);

(e) legal fees, space planner's fees, architect's fees, leasing and brokerage commissions, advertising and promotional expenditures and any other marketing expense incurred in connection with the leasing of space in the Building (including new leases, lease amendments, lease terminations and lease renewals);

(f) the cost of any items to the extent to which such cost is reimbursed to Landlord by tenants of the Project (other than as a reimbursement of operating expenses), or other third parties, or is covered by a warranty to the extent of reimbursement for such coverage;

(g) expenditures for any leasehold improvement which is made in connection with the preparation of any portion of the Building for occupancy by any tenant of the Building or the Project;

(h) the cost of performing work or furnishing service to or for any tenant other than Tenant, at Landlord's expense, to the extent such work or service is in excess of any work or service Landlord is obligated to provide to Tenant or generally to other tenants in the Building at Landlord's expense;

(i) the cost of repairs or replacements incurred by reason of fire or other casualty, or condemnation, to the extent Landlord actually receives proceeds of property and casualty insurance policies or condemnation awards or would have received such proceeds had Landlord maintained the insurance required to be maintained by Landlord under this Lease;

(j) the cost of acquiring sculptures, paintings or other objects of fine art in the Building or the Project;

(k) bad debt loss, rent loss, or reserves for bad debt or rent loss;

(l) unfunded contributions to operating expense reserves by other tenants;

(m) expenses related solely and exclusively to the operation of the retail space in the Project;

(n) damage and repairs necessitated by the gross negligence or willful misconduct of Landlord Parties;

(o) fees, costs and expenses incurred by Landlord in connection with or relating to claims against or disputes with tenants of the Building or the Project;

(p) interest, fines or penalties for late payment or violations of Applicable Laws by Landlord, except to the extent incurring such expense is either (1) a reasonable business expense under the circumstances, or (2) caused by a corresponding late payment or violation of an Applicable Law by Tenant, in which event Tenant shall be responsible for the full amount of such expense;

(q) the cost of remediation and removal of "Hazardous Substance," as that term is defined in Section 5.2, below, in the Building or on the Project as required by applicable laws, provided, however, that the provisions of this sub-item (q) shall not preclude the inclusion of costs with respect to materials (whether existing at the Project as of the date of this Lease or subsequently introduced to the Project) which are not, as of the date of this Lease (or as of the date of introduction), deemed to be Hazardous Substance under applicable laws but which are subsequently deemed to be Hazardous Substance under applicable laws (it being understood and agreed that Tenant shall nonetheless be responsible under Section 5.2 of this Lease for all costs of remediation and removal of Hazardous Substance to the extent caused by Tenant Parties);

(r) costs for the original construction and development of the Building and nonrecurring costs for the repair or replacement of any structural portion of the Building made necessary as a result of defects in the original design, workmanship or materials;

(s) costs and expenses incurred for the administration of the entity which constitutes Landlord, as the same are distinguished from the costs of operation, management, maintenance and repair of the Building and/or the Project, including, without limitation, entity accounting and legal matters;

(t) the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Project unless such wages and benefits are prorated on a reasonable basis to reflect time spent on the operation and management of the Project vis-à-vis time spent on matters unrelated to the operation and management of the Project;

(u) except as may be otherwise expressly provided in this Lease with respect to specific items, the cost of any services or materials provided by any party related to Landlord, to the extent such cost exceeds, the reasonable cost for such services or materials absent such relationship in Class A office buildings of comparable quality in the San Francisco financial district area, and with respect to any management fee paid by Landlord, to the extent the cost of such management fee exceeds three percent (3%) of gross revenues for the Project;

(v) depreciation for the Building, except as permitted pursuant to items (xii) and (xiii), above;

(w) reserves for future improvements, repairs, additions, etc.; and

(x) costs of replacements, alterations or improvements necessary to make the Building or the Project comply with Applicable Laws in effect and applicable to the Building and/or the Project prior to the date of this Lease, except to the extent the need for such replacements, alterations or improvements is caused by Tenant Parties (in which case Tenant shall nonetheless be responsible for such costs in accordance with Article 24 of this Lease), provided, however, that the provisions of this sub-item shall not preclude the inclusion of costs of compliance with Applicable Laws enacted prior to the date of this Lease if such compliance is required for the first time by reason of any amendment, modification or reinterpretation of an Applicable Law which is imposed after the date of this Lease.

If Landlord is not furnishing any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If the Project is not fully occupied during all or a portion of any Expense Year, Landlord may elect to make an appropriate adjustment to the components of Operating Expenses that vary with occupancy for such year to determine the amount of Operating Expenses that would have been incurred had the Project been fully occupied; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year.

4.2.5 **Taxes**.

4.2.5.1 "**Tax Expenses**" shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary (including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof), which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Project, or any portion thereof.

4.2.5.2 Tax Expenses shall include, without limitation: (i) Any tax on the rent, right to rent or other income from the Project, or any portion thereof, or as against the business of leasing the Project, or any portion thereof; (ii) Any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("**Proposition 13**") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, and, in further recognition of the decrease in the level and quality of governmental services and amenities as a result of Proposition 13, Tax Expenses shall also include any governmental or private assessments or the Project's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies; (iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any business or gross income tax or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; and (iv) Any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises.

4.2.5.3 Tenant shall have the right to cause Landlord to attempt to protest, reduce or minimize Tax Expenses, and in any event, any costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize Tax Expenses shall be included in Tax Expenses in the Expense Year such expenses are paid. If Tax Expenses for any period during the Lease Term or any extension thereof are increased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord upon demand Tenant's Share of any such increased Tax Expenses included by Landlord as Tax Expenses pursuant to the terms of this Lease. Notwithstanding anything to the contrary contained in this Section 4.2.5 (except as set forth in Section 4.2.5.1, above), there shall be excluded from Tax Expenses (i) all transfer taxes, excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, (iii) any taxes imposed on land and improvements other than the Project, (iv) taxes resulting from the improvement of any portion of the Building or Project for the sole use of Landlord or other occupants, (v) any penalties or fees imposed as a result of Landlord's failure to pay real property taxes when due (except to the extent the same results because of Tenant's corresponding failure to timely pay the Rent due under this Lease), (vi) taxes which are in excess of the amount which would be payable if such taxes were paid in installments over the longest permitted term, and (vii) any items paid by Tenant under Section 4.5 of this Lease.

4.2.6 "**Tenant's Share**" shall mean the percentage set forth in Section 6 of the Summary.

4.3 **Allocation of Direct Expenses**. Landlord shall have the right, from time to time, to equitably allocate some or all of the Direct Expenses for the Project among different portions or occupants of the Project (the "**Cost Pools**"), in Landlord's discretion. Such Cost Pools may include, but shall not be limited to, the office space tenants of a building of the Project or of the Project, and the retail space tenants of a building of the Project or of the Project. The Direct Expenses within each such Cost Pool shall be allocated and charged to the tenants within such Cost Pool in an equitable manner.

4.4 **Calculation and Payment of Additional Rent**. Tenant shall pay to Landlord, in the manner set forth in Section 4.4.1, below, and as Additional Rent, Tenant's Share of Direct Expenses for each Expense Year.

4.4.1 **Statement of Actual Direct Expenses and Payment by Tenant**. Landlord shall give to Tenant following the end of each Expense Year, a statement (the "**Statement**") which shall state in general major categories the Building Direct Expenses incurred or accrued for such preceding Expense Year, and which shall indicate the amount of Tenant's Share of Direct Expenses. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, Tenant shall pay, within thirty (30) days after receipt of the Statement, the full amount of Tenant's Share of Direct Expenses for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Direct Expenses," as that term is defined in Section 4.4.2, below, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses (an "**Excess**"), Tenant shall receive a credit in the amount of such Excess against Rent next due under this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Direct Expenses for the Expense Year in which this Lease terminates, if Tenant's Share of Direct Expenses is greater than the amount of Estimated Direct Expenses previously paid by Tenant to Landlord, Tenant shall, within thirty (30) days after receipt of the Statement, pay to Landlord such amount, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses (again, an Excess), Landlord shall, within thirty (30) days, deliver a check payable to Tenant in the amount of such Excess. The provisions of this Section 4.4.1 shall survive the expiration or earlier termination of the Lease Term. Notwithstanding any provision to the contrary set forth in this Lease, Tenant shall not be responsible for Tenant's Share of any Building Direct Expenses attributable to any Expense Year which are first billed to Tenant more than two (2) calendar years after the applicable Expense Year, provided that in any event Tenant shall be responsible for Tenant's Share of Direct Expenses levied by any governmental authority or by any public utility companies at any time following such date which are attributable to any Expense Year.

4.4.2 **Statement of Estimated Direct Expenses**. In addition, Landlord shall give Tenant a yearly expense estimate statement (the "**Estimate Statement**") which shall set forth in general major categories Landlord's reasonable estimate (the "**Estimate**") of what the total amount of Direct Expenses for the then-current Expense Year shall be and the estimated Tenant's Share of Direct Expenses (the "**Estimated Direct Expenses**"). The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Direct Expenses under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Direct Expenses theretofore delivered to the extent necessary. Thereafter, Tenant shall pay, within thirty (30) days after receipt of the Estimate Statement, a fraction of the Estimated Direct Expenses for the then-current Expense Year (reduced by any amounts paid pursuant to the second to last sentence of this Section 4.4.2). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Direct Expenses set forth in the previous Estimate Statement delivered by Landlord to Tenant. Throughout the Lease Term Landlord shall maintain books and records with respect to Building Direct Expenses in accordance with sound real estate accounting and management practices, consistently applied.

4.5 **Taxes and Other Charges for Which Tenant Is Directly Responsible**.

4.5.1 Tenant shall be liable for and shall pay ten (10) days before delinquency, taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall upon demand repay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

4.5.2 If the tenant improvements in the Premises, whether installed and/or paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which tenant improvements conforming to Landlord's "building standard" in other space in the Building are assessed, then the Tax Expenses levied against Landlord or the property by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of Section 4.5.1, above.

4.5.3 Notwithstanding any contrary provision herein, Tenant shall pay prior to delinquency any (i) rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services herein or otherwise respecting this Lease, (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project, including the Project parking facility; or (iii) taxes assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

4.6 **Landlord's Records**. Upon Tenant's written request given not more than ninety (90) days after Tenant's receipt of a Statement for a particular Expense Year, and provided that Tenant is not then in default under this Lease beyond the applicable notice and cure period provided in this Lease, specifically including, but not limited to, the timely payment of Additional Rent (whether or not a component thereof is the subject of the audit contemplated herein), Landlord shall furnish Tenant with such reasonable supporting documentation pertaining to the calculation of the Direct Expenses set forth in the Statement as Tenant may reasonably request. Landlord shall provide said documentation pertaining to the relevant Direct Expenses to Tenant within sixty (60) days after Tenant's written request therefor. Within one hundred eighty (180) days after receipt of a Statement by Tenant (the "**Audit Period**"), if Tenant disputes the amount of the Direct Expenses set forth in the Statement, an independent certified public accountant (which accountant (A) is a member of a nationally recognized certified public accounting firm which has previous experience in auditing financial operating records of landlords of office buildings, (B) shall not already be providing primary accounting and/or lease administration services to Tenant and shall not have provided primary accounting and/or lease administration services to Tenant in the past three (3) years, (C) is not working on a contingency fee basis [i.e., Tenant must be billed based on the actual time and materials that are incurred by the certified public accounting firm in the performance of the audit], and (D) shall not currently or in the future be providing accounting and/or lease administration services to another tenant in the Building and/or the Project in connection with a review or audit by such other tenant of similar expense records), designated and paid for by Tenant, may, after reasonable notice to Landlord and at reasonable times, audit Landlord's records with respect to the Direct Expenses set forth in the Statement at Landlord's corporate offices, provided that (i) Tenant is not then in default under this Lease (beyond the applicable notice and cure periods provided under this Lease), and (ii) a copy of the audit agreement between Tenant and its particular certified public accounting firm has been delivered to Landlord prior to the commencement of the audit. In connection with such audit, Tenant and Tenant's certified public accounting firm must agree in advance to follow Landlord's reasonable rules and procedures regarding an audit of the aforementioned Landlord records, and shall execute a commercially reasonable confidentiality agreement regarding such audit. Any audit report prepared by Tenant's certified public accounting firm shall be delivered concurrently to Landlord and Tenant within the Audit Period. Tenant's failure to audit the amount of the Direct Expenses set forth in any Statement within the Audit Period shall be deemed to be Tenant's approval of such Statement and Tenant, thereafter, waives the right or ability to audit the amounts set forth in such Statement. If after such audit, Tenant still disputes such Direct Expenses, an audit to determine the proper amount shall be made, at Tenant's expense, by an independent certified public accountant (the "**Accountant**") selected by Landlord and subject to Tenant's reasonable approval; provided that if such audit by the Accountant proves that the Direct Expenses in the subject Expense Year were overstated by more than five percent (5%), then the cost of the Accountant and the cost of such audit shall be paid for by Landlord. Tenant hereby acknowledges that Tenant's sole right to audit Landlord's records and to contest the amount of Direct Expenses payable by Tenant shall be as set forth in this Section 4.6, and Tenant hereby waives any and all other rights pursuant to Applicable Law to audit such records and/or to contest the amount of Direct Expenses payable by Tenant. Notwithstanding any provision to the contrary set forth herein, in the event that Tenant does not prove that the Direct Expenses in the subject year were overstated, Tenant shall reimburse Landlord for all costs and expenses incurred by Landlord in connection with Tenant's review and/or audit of Direct Expenses.

5. USE OF PREMISES

5.1 **Permitted Use**. Tenant shall use the Premises solely for the Permitted Use set forth in Section 7 of the Summary and Tenant shall not use or permit the Premises or the Project to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion.

5.2 **Prohibited Uses**. The uses prohibited under this Lease shall include, without limitation, use of the Premises or a portion thereof for (i) offices of any agency or bureau of the United States or any state or political subdivision thereof; (ii) offices or agencies of any foreign governmental or political subdivision thereof; (iii) offices of any health care professionals or service organization; (iv) schools or other training facilities which are not ancillary to corporate, executive or professional office use; (v) retail or restaurant uses; or (vi) communications firms such as radio and/or television stations. Tenant further covenants and agrees that Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the provisions of the Rules and Regulations set forth in **Exhibit D**, attached hereto, or in violation of the laws of the United States of America, the State of California, or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Project) including, without limitation, any such laws, ordinances, regulations or requirements relating to hazardous materials or substances, as those terms are defined by applicable laws now or hereafter in effect. Tenant shall comply with all recorded covenants, conditions, and restrictions now or hereafter affecting the Project.

5.3 **Tenant's Dogs**.

5.3.1 **In General**. Subject to applicable laws and the provisions of this Section 5.3, and further subject to any additional reasonable rules and regulations as may be promulgated by Landlord from time to time, Tenant shall be permitted to bring up to a maximum of four (4) non-aggressive, fully-domesticated, fully-vaccinated, and trained dogs into each floor of the Premises (which dogs are currently owned by the Tenant or its employees). The aforementioned dogs shall, individually or collectively, be referred to herein as "**Tenant's Dogs**". Tenant agrees that all Tenant's Dogs shall be less than eighty (80) pounds in weight each. Tenant represents and warrants that none of Tenant's Dogs are of the following breeds of dog (or a mix comprised of one or more of the following): Pit Bull, Chow Chow, Alaskan Malamutes, Rottweiler, Doberman, Husky, Rhodesian Ridgeback or Presa Canario. Tenant's Dogs shall enter the Premises via the entrance determined by Landlord, in its reasonable standard, and shall not be permitted to enter the Building from any other entrance. Tenant's Dogs shall be strictly controlled and supervised at all times by Tenant's employees (including, without limitation, by keeping Tenant's Dogs on leashes at all times while in the Common Areas). Within fifteen (15) days following Tenant's receipt of Landlord's request therefor, Tenant shall provide Landlord with satisfactory evidence showing that all current vaccinations, flea treatments, and training certifications (if any) have been received by Tenant's Dogs. Tenant's Dogs must have both heartworm and flea and tick prevention on a monthly basis, and none of Tenant's Dogs shall be brought to the Building in the event one (1) of Tenant's Dogs becomes ill or contracts a disease that could potentially threaten the health or wellbeing of any occupants of the Building (which diseases may include, but shall not be limited to, rabies, leptospirosis and lyme disease). Tenant shall not permit any objectionable dog related noises or odors to emanate from the Premises, and in no event shall Tenant's Dogs be kept in the Building overnight. Tenant's Dogs shall not be permitted to enter into any core area bathrooms in the Building at any time. Tenant's Dogs shall not bark excessively or otherwise create a nuisance at the Building. All bodily waste generated by Tenant's Dogs in or about the Building or the Common Areas outside the Building shall be immediately removed and disposed of in trash receptacles designated by Landlord, and any areas of the Building affected by such waste shall be cleaned and otherwise sanitized to a condition consistent with Landlord's commercially reasonable standards applicable thereto. Tenant's Dogs shall not be permitted to enter the Building if Tenant's Dogs previously exhibited dangerously aggressive behavior. Tenant's Dogs shall not interfere with other tenants, licensees, invitees or those having business in the Building. Notwithstanding any provision to the contrary contained

in the Lease, Landlord shall have the right at any time to (i) rescind Tenant's right to have Tenant's Dogs in the Building if, in Landlord's reasonable discretion, at least three (3) times in a twelve (12) month period, any of Tenant's Dogs are found to be a substantial nuisance to the Building (for purposes hereof, Tenant's Dogs may found to be a "substantial nuisance" if, without limitation, any of Tenant's Dogs repeatedly defecates in the common areas or damages the Building or any property at the Building that is not in the Premises) (the "**Substantial Nuisance**"), or (ii) rescind Tenant's right to have a particular dog in the Building if, in Landlord's reasonable discretion, that dog (a) commits an act which is a Substantial Nuisance; (b) Landlord receives complaints from a significant number of tenants of the Building as a result of that dog being present at or outside of the Building, not including the Premises or the path of travel designated by Landlord for the transport of Tenant's Dogs to and from the Premises; or (c) Landlord receives any notice of violation or default of any Applicable Laws or any covenants, conditions, restrictions or matters of record affecting the Building as a result of that dog.

5.3.2 **Costs and Expenses**. Tenant shall be fully responsible for all costs and expenses associated with Tenant's Dogs, relating to the costs of repairing any damage caused by Tenant's Dogs to the Building or any common areas outside of the Building to Landlord's reasonable satisfaction. Tenant shall pay to Landlord, within ten (10) business days after demand therefor, all costs incurred by Landlord in connection with Tenant's Dogs presence in the Building, relating to janitorial, waste disposal, landscaping, signage, repair, administrative, and legal costs and expenses.

5.3.3 **Indemnity**. Without limiting the provisions of Section 10.1 below, Tenant hereby agrees to protect, defend, indemnify and hold Landlord and its subsidiaries, partners, and affiliates and their respective members, shareholders, officers, directors, agents, employees and contractors, and each of them, harmless from and against any and all third party claims arising from Tenant's Dogs in the Building, including, without limitation, (i) all damages arising or resulting from Tenant's Dogs in the Building, (ii) any violation of any applicable laws, regulations, ordinances or any covenants, conditions, restrictions or matters of record affecting the Building, and (ii) any personal injuries or property damage. The foregoing indemnity shall survive the expiration or earlier termination of the Lease.

5.3.4 **Rights Personal to Original Tenant**. The right to bring Tenant's Dogs into the Premises pursuant to this Section 5.3 is personal to the Original Tenant and its Permitted Transferee Assignees . If Tenant assigns the Lease or sublets all or any portion of the Premises (other than an assignment pursuant to a Permitted Transfer), then upon such assignment or subletting, the right to bring Tenant's Dogs into such portion the Premises shall simultaneously terminate and be of no further force or effect.

6. SERVICES AND UTILITIES

6.1 Standard Tenant Services. Landlord shall provide the following services on all days (unless otherwise stated below) during the Lease Term.

6.1.1 Subject to limitations imposed by all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating and air conditioning ("**HVAC**") when necessary for normal comfort for normal office use in the Premises from 7:00 A.M. to 7:00 P.M. Monday through Friday (collectively, the "**Building Hours**"), except for the date of observation of New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and, at Landlord's discretion, other locally or nationally recognized holidays (collectively, the "**Holidays**"). If Tenant desires to use heat, ventilation or air conditioning on any given Saturday, Tenant shall give Landlord such prior notice, if any, as Landlord shall from time to time establish as appropriate, of Tenant's desired use in order to supply such utilities.

6.1.2 Landlord shall provide adequate electrical wiring service capacity to the Premises for Tenant's lighting fixtures and incidental use equipment, provided that (i) the connected electrical load of the incidental use equipment does not exceed an average of five (5) watts per rentable square foot of the Premises, calculated on a monthly basis, and the electricity so furnished for incidental use equipment will be at a nominal one hundred twenty (120) volts and no electrical circuit for the supply of such incidental

use equipment will require a current capacity exceeding twenty (20) amperes, and (ii) the connected electrical load of Tenant's lighting fixtures does not exceed an average of one (1) watt per rentable square foot of the Premises, calculated on a monthly basis, and the electricity so furnished for Tenant's lighting will be at a nominal two hundred seventy-seven (277) volts, which electrical usage shall be subject to applicable laws and regulations, including Title 24 (such wattage is exclusive of Base Building HVAC, Base Building water, heating and other Base Building Systems). Subject to the foregoing limitations regarding the electrical service capacity to be provided by Landlord, Landlord shall only provide electricity for Tenant's lighting fixtures during the Building Hours, excluding Holidays. Tenant will design Tenant's electrical system serving any equipment producing nonlinear electrical loads to accommodate such nonlinear electrical loads, including, but not limited to, oversizing neutral conductors, derating transformers and/or providing power-line filters. Engineering plans shall include a calculation of Tenant's fully connected electrical design load with and without demand factors and shall indicate the number of watts of unmetered and submetered loads. Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises.

6.1.3 Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes in the Building Common Areas.

6.1.4 Landlord shall provide janitorial services during weekdays, except the date of observation of the Holidays, in and about the Premises and window washing services in a manner consistent with other comparable buildings in the vicinity of the Building.

6.1.5 Landlord shall provide nonexclusive, non-attended automatic passenger elevator service during the Building Hours, and shall have one elevator available at all other times.

6.1.6 Landlord shall provide one (1) security guard on-site during Business Hours and additional guards on swing shifts as necessary, and shall have security cameras installed on all entrances/exits to the Building, provided, however, that from time to time during the Lease Term, Landlord shall be permitted to increase or decrease the amount and type of security service provided under this Lease to the extent commensurate with the security services provided by landlords of the Comparable Buildings and Tenant consents to such increase or decrease in Tenant's sole discretion.

Tenant shall cooperate fully with Landlord at all times and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the HVAC, electrical, mechanical and plumbing systems.

6.2 **Overstandard Tenant Use**. Tenant shall not, without Landlord's prior written consent, use heat-generating machines, equipment, or lighting other than Building standard lights in the Premises, which may affect the temperature otherwise maintained by the air conditioning system or increase the water normally furnished for the Premises by Landlord pursuant to the terms of Section 6.1 of this Lease. If such consent is given, Landlord shall have the right to install supplementary air conditioning units or other facilities in the Premises, including supplementary or additional metering devices, and the cost thereof, including the cost of installation, operation and maintenance, increased wear and tear on existing equipment and other similar charges, shall be paid by Tenant to Landlord within thirty (30) days of billing by Landlord. If Tenant uses water, electricity, heat or air conditioning in excess of that supplied by Landlord pursuant to Section 6.1 of this Lease, Tenant shall pay to Landlord, upon billing, the cost of such excess consumption, the cost of the installation, operation, and maintenance of equipment which is installed in order to supply such excess consumption, and the cost of the increased wear and tear on existing equipment caused by such excess consumption; and Landlord may install devices to separately meter any increased use and in such event Tenant shall pay the increased cost directly to Landlord, on demand, at the rates charged by the public utility company furnishing the same, including the cost of such additional metering devices. Tenant's use of electricity shall never exceed the capacity of the feeders to the Project or the risers or wiring installation, and subject to the terms of Section 29.32, below, Tenant shall not install or use or permit the installation or use of any computer or electronic data processing equipment in the Premises, without the prior written consent of Landlord. If Tenant desires to use heat, ventilation or air conditioning during hours other than those for which Landlord is obligated to supply such utilities pursuant

to the terms of Section 6.1 of this Lease, Tenant shall give Landlord such prior notice, if any, as Landlord shall from time to time establish as appropriate, of Tenant's desired use in order to supply such utilities, and Landlord shall supply such utilities to Tenant at such hourly cost to Tenant (which shall be treated as Additional Rent) as Landlord shall from time to time establish.

6.3 **Interruption of Use**. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone, telecommunication, and electrical services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Project after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease, except as expressly set forth to the contrary in Section 6.6 below. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6. Landlord may comply with voluntary controls or guidelines promulgated by any governmental entity relating to the use or conservation of energy, water, gas, light or electricity or the reduction of automobile or other emissions without creating any liability of Landlord to Tenant under this Lease, provided that the Premises are not thereby rendered untenantable.

6.4 **Tenant Security System**. Tenant may, at its own expense, install its own security system ("**Tenant's Security System**") in the Premises, subject to Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed; provided, however, that in the event Tenant's Security System ties into the Building security system, Tenant shall coordinate the installation and operation of Tenant's Security System with Landlord to assure that Tenant's Security System is compatible with the Building security system and the Building Systems and to the extent that Tenant's Security System is not compatible with the Building security system or the Building Systems, Tenant shall not be entitled to tie into the Building security system or the Building Systems, as applicable. Tenant shall be solely responsible, at Tenant's sole cost and expense, for the monitoring, operation and removal of Tenant's Security System, provided that, notwithstanding the foregoing, Tenant may install any security system it desires that does not require linkage with the Building security system and which does not affect the Building security system and which does not (i) create (a) an adverse effect on the Building Structure; (b) a non-compliance with any Applicable Laws; (c) an adverse effect on the Building Systems; (d) an effect on the exterior appearance of the Building; or (e) unreasonable interference with the normal and customary office operations of any other tenant in the Building, or (ii) affect Landlord's ability to operate the Building. Tenant shall provide Landlord with any information reasonably required regarding Tenant's Security System in the event access to the Premises is necessary in an emergency. At Landlord's option, upon the expiration or earlier termination of the Lease Term, Landlord may require Tenant to remove Tenant's Security System and repair all damage to the Building resulting from such removal, at Tenant's sole cost and expense.

6.5 **Bicycle Center**. Tenant shall have access to a bicycle center in the Building with men's and women's showers and bike parking to accommodate at least seventy-five (75) bicycles.

6.6 **Abatement Event**. If (i) Landlord fails to perform the obligations required of Landlord under the provisions of this Lease, (ii) such failure causes all or a portion of the Premises to be unusable by Tenant, and (iii) such failure relates to (A) the nonfunctioning of the heat, ventilation, and air conditioning system in the Premises, the electricity in the Premises, the nonfunctioning of the elevator service to the Premises, or (B) a failure to provide access to the Premises, Tenant shall give Landlord notice (the "**Initial Notice**"), specifying such failure to perform by Landlord (the "**Abatement Event**"). If Landlord has not cured such Abatement Event within ten (10) business days after the receipt of the Initial Notice (which time period shall be extended on a day-for-day basis on account of any event of Force Majeure), Tenant may deliver an additional notice to Landlord (the "**Additional Notice**"), specifying such Abatement Event and Tenant's intention to abate the payment of Rent under this Lease. If Landlord does not cure such

Abatement Event within ten (10) business days of receipt of the Additional Notice (which time period shall be extended on a day-for-day basis on account of any event of Force Majeure), Tenant may, upon written notice to Landlord, immediately abate Rent payable under this Lease for that portion of the Premises rendered untenantable and not used by Tenant, for the period beginning on the date five (5) business days after the Initial Notice to the earlier of the date Landlord cures such Abatement Event or the date Tenant recommences the use of such portion of the Premises. Such right to abate Rent shall be Tenant's sole and exclusive rental abatement remedy at law or in equity for an Abatement Event. Except as provided in this Section 6.6, nothing contained herein shall be interpreted to mean that Tenant is excused from paying Rent due hereunder.

7. REPAIRS

Tenant shall, at Tenant's own expense, pursuant to the terms of this Lease, including without limitation Article 8 hereof, keep the Premises, including all improvements, fixtures and furnishings therein, and the floor or floors of the Building on which the Premises are located, in as good order, repair and condition as received, ordinary wear and tear, casualty and condemnation excepted, at all times during the Lease Term. In addition, Tenant shall, at Tenant's own expense, pursuant to the terms of this Lease, including without limitation Article 8 hereof, promptly and adequately repair all damage to the Premises and replace or repair all damaged, broken, or worn fixtures and appurtenances, except for damage caused by ordinary wear and tear or beyond the reasonable control of Tenant; provided however, that, at Landlord's option, if Tenant fails to make such repairs within a reasonable time (not to exceed ten (10) days) following written notice from Landlord, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof, including a percentage of the cost thereof (to be uniformly established for the Building and/or the Project) sufficient to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such repairs and replacements forthwith upon being billed for same. Landlord may, but shall not be required to, enter the Premises at all reasonable times to make such repairs, alterations, improvements or additions to the Premises or to the Project or to any equipment located in the Project as Landlord shall desire or deem necessary or as Landlord may be required to do by governmental or quasi-governmental authority or court order or decree. Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932 and Sections 1941 and 1942 of the California Civil Code or under any similar law, statute, or ordinance now or hereafter in effect. Landlord shall maintain in first-class condition and operating order and keep in good repair and condition the structural portions of the Building and Common Areas, including the structural portions of the foundation, structural portions of the walls, structural portions of the floor/ceiling slabs, the roof, exterior glass and mullions, columns, beams, shafts (including elevator shafts), structural portions of the stairs, landscaping, exterior Project signage, stairwells, parking structures, mechanical, electrical and telephone closets, and all common and public areas (collectively, "**Building Structure**"), the base building mechanical (including without limitation, heating and air conditioning unit and systems), electrical, fire alarm and life safety, plumbing, vertical transportation system (including elevator cabs), and sprinkler systems (collectively, the "**Building Systems**"). Except in the event of an Emergency, any repair work required to be performed by Landlord under this Lease in the Premises or that materially and adversely affects the Premises (including vibrations, odors and unreasonable construction noise) shall be performed after Building Hours.

8. ADDITIONS AND ALTERATIONS

8.1 **Landlord's Consent to Alterations**. Tenant may not make any improvements, alterations, additions or changes to the Premises or any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises (collectively, the "**Alterations**") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than thirty (30) days prior to the commencement thereof, and which consent shall not be unreasonably withheld by Landlord, provided it shall be deemed reasonable for Landlord to withhold its consent to any Alteration which adversely affects the structural portions or the systems or equipment of the Building or is visible from the exterior of the Building. Notwithstanding the foregoing, Tenant shall be permitted to make Alterations following ten (10) business days' notice to Landlord, but without Landlord's prior consent, to the extent that such Alterations do not (i) adversely affect the Building Systems or Building Structure, (ii) affect the exterior

appearance of the Building, (iii) adversely affect the value of the Premises or Building, (iv) require a building or construction permit, or (iv) cost more than One Hundred Thousand and 00/100 Dollars ($100,000.00) for a particular job of work (the "**Cosmetic Alterations**"). The construction of the initial improvements to the Premises shall be governed by the terms of the Tenant Work Letter and not the terms of this Article 8.

8.2 **Manner of Construction**. Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, subcontractors, materials, mechanics and materialmen selected by Tenant from a list provided and approved by Landlord, the requirement that upon Landlord's request, Tenant shall, at Tenant's expense, remove such Alterations upon the expiration or any early termination of the Lease Term, the requirement that all Alterations conform in terms of quality and style to the building's standards established by Landlord, and the requirement that all Alterations comply with Landlord's most recent Construction and Greening Policies/Plans as provided to Tenant from Landlord. If such Alterations will involve the use of or disturb hazardous materials or substances existing in the Premises, Tenant shall comply with Landlord's rules and regulations concerning such hazardous materials or substances. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any and all applicable federal, state, county or municipal laws, rules and regulations and pursuant to a valid building permit, issued by the City San Francisco, all in conformance with Landlord's construction rules and regulations. In the event Tenant performs any Alterations in the Premises which require or give rise to governmentally required changes to the "Base Building," as that term is defined below, then Landlord shall, at Tenant's expense, make such changes to the Base Building. The "**Base Building**" shall include the Building Structure and Building Systems. In performing the work of any such Alterations, Tenant shall have the work performed in such manner so as not to obstruct access to the Project or any portion thereof, by any other tenant of the Project, and so as not to obstruct the business of Landlord or other tenants in the Project. Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. In addition to Tenant's obligations under Article 9 of this Lease, upon completion of any Alterations, Tenant agrees to cause a Notice of Completion to be recorded in the office of the Recorder of the County of San Francisco in accordance with Section 8182 of the Civil Code of the State of California or any successor statute, and Tenant shall deliver to the Project management office a reproducible copy of the "as built" drawings of the Alterations as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations.

8.3 **Payment for Improvements**. If payment is made directly to contractors, Tenant shall comply with Landlord's requirements for final lien releases and waivers in connection with Tenant's payment for work to contractors. Whether or not Tenant orders any work directly from Landlord, Tenant shall pay to Landlord a percentage of the cost of such work sufficient to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such work.

8.4 **Construction Insurance**. In addition to the requirements of Article 10 of this Lease, in the event that Tenant makes any Alterations, prior to the commencement of such Alterations, Tenant shall provide Landlord with evidence that Tenant or its contractor carries "Builder's All Risk" insurance in an amount reasonably approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may reasonably require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof.

8.5 **Landlord's Property**. All Alterations, improvements, fixtures, equipment and/or appurtenances which may be installed or placed in or about the Premises, from time to time, shall be at the sole cost of Tenant and shall be and become the property of Landlord, except that Tenant may remove any Alterations, improvements, fixtures and/or equipment which Tenant can substantiate to Landlord have not been paid for with any Tenant improvement allowance funds provided to Tenant by Landlord, provided Tenant repairs any damage to the Premises and Building caused by such removal and returns the affected portion of the Premises to the condition which existed prior to the installation of such Alteration, improvement, fixtures, and/or equipment, reasonable wear and tear excepted. Furthermore, Landlord may,

by written notice to Tenant prior to the end of the Lease Term, or given following any earlier termination of this Lease, require Tenant, at Tenant's expense, to remove any Alterations or improvements in the Premises, and to repair any damage to the Premises and Building caused by such removal and returns the affected portion of the Premises to the condition which existed prior to the installation of such Alteration, improvement, fixtures, and/or equipment, reasonable wear and tear excepted; provided, however, that notwithstanding the foregoing, upon request by Tenant at the time of Tenant's request for Landlord's consent to any Alteration or improvement (or within ten (10) business days of Tenant's written notice to Landlord of a Cosmetic Alteration), Landlord shall notify Tenant whether the applicable Alteration, Cosmetic Alteration, or improvement will be required to be removed pursuant to the terms of this Section 8.5. Notwithstanding the foregoing, Landlord shall not require the removal of any Tenant Improvements, except to the extent the same constitutes a "Specialty Improvement," as that term is defined hereinbelow. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations or improvements in the Premises, and return the affected portion of the Premises to the condition required above, then at Landlord's option, Landlord may do so and may charge the cost thereof to Tenant. Tenant hereby protects, defends, indemnifies and holds Landlord harmless from any liability, cost, obligation, expense or claim of lien in any manner relating to the installation, placement, removal or financing of any such Alterations, improvements, fixtures and/or equipment in, on or about the Premises, which obligations of Tenant shall survive the expiration or earlier termination of this Lease. As used herein, "**Specialty Improvements**" shall mean any Tenant Improvement that is not a normal and customary general office improvement, including, but not limited to improvements which (i) perforate, penetrate or require reinforcement of a floor slab (including, without limitation, interior stairwells or high-density filing or racking systems), (ii) consist of the installation of a raised flooring system, (iii) consist of the installation of a vault or other similar device or system intended to secure the Premises or a portion thereof in a manner that exceeds the level of security necessary for ordinary office space, (iv) involve material plumbing connections (such as, for example but not by way of limitation, kitchens, saunas, showers, and executive bathrooms outside of the Building core and/or special fire safety systems), (v) consist of the dedication of any material portion of the Premises to non-office usage (such as classrooms, bicycle storage rooms or kitchens), (vi) the "Fire Stair Work," as defined in Section 1 of the Tenant Work Letter, or (vii) can be seen from outside the Premises.

9. COVENANT AGAINST LIENS

Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend, indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least twenty (20) days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under applicable laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall remove any such lien or encumbrance by bond or otherwise within five (5) days after notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof. The amount so paid shall be deemed Additional Rent under this Lease payable upon demand, without limitation as to other remedies available to Landlord under this Lease. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to the Building or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. Any claim to a lien or encumbrance upon the Building or Premises arising in connection with any such work or respecting the Premises not performed by or at the request of Landlord shall be null and void, or at Landlord's option shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the Project, Building and Premises.

10. INSURANCE

10.1 **Indemnification and Waiver**. Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever and agrees that Landlord, its partners, subpartners and their respective officers, agents, servants, employees, and independent contractors (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant, except to the extent caused by the gross negligence or willful misconduct of Landlord or the Landlord Parties. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from any cause in, on or about the Premises, any violation of any of any Applicable Laws, including, without limitation, any environmental laws, any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, invitees, guests or licensees of Tenant or any such person, in, on or about the Project or any breach of the terms of this Lease, either prior to, during, or after the expiration of the Lease Term, provided that the terms of the foregoing indemnity shall not apply to the gross negligence or willful misconduct of Landlord or the Landlord Parties or any violation of Applicable Laws caused solely because Landlord and Tenant entered into this Lease. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy of the Premises, Tenant shall pay to Landlord its actual, out-of-pocket costs and expenses incurred in such suit, including without limitation, its actual professional fees such as appraisers', accountants' and attorneys' fees. Further, Tenant's agreement to indemnify Landlord pursuant to this Section 10.1 is not intended and shall not relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease, to the extent such policies cover the matters subject to Tenant's indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

10.2 **Tenant's Compliance With Landlord's Fire and Casualty Insurance**. Tenant shall, at Tenant's expense, comply with all insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises causes any increase in the premium for such insurance policies then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body.

10.3 **Tenant's Insurance**. Tenant shall maintain the following coverages in the following amounts.

10.3.1 Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) arising out of Tenant's operations, and contractual liabilities (covering the performance by Tenant of its indemnity agreements) including a Broad Form endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 10.1 of this Lease, for limits of liability not less than:

Bodily Injury and Property Damage Liability	$5,000,000 each occurrence $5,000,000 annual aggregate
Personal Injury Liability	$5,000,000 each occurrence $5,000,000 annual aggregate 0% Insured's participation

10.3.2 Physical Damage Insurance covering (i) all office furniture, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, and (ii) all other improvements, alterations and additions to the Premises. Such insurance shall be written on an "all risks" of physical loss or damage basis, for the full replacement cost value (subject to reasonable deductible amounts) new without deduction for depreciation of the covered items and in amounts that meet any coinsurance clauses of the policies of insurance and shall include coverage for damage or other loss caused by fire or other peril including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion, and providing business interruption coverage for a period of one year.

10.3.3 Worker's Compensation and Employer's Liability or other similar insurance pursuant to all applicable state and local statutes and regulations.

10.4 **Form of Policies**. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) name Landlord, Landlord's lender, and any other party the Landlord so specifies, as an additional insured, including Landlord's managing agent, if any; (ii) specifically cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 10.1 of this Lease; (iii) be issued by an insurance company having a rating of not less than A-VIII in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the State of California; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is noncontributing with any insurance requirement of Tenant; (v) be in form and content reasonably acceptable to Landlord; and (vi) if available, provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord. Tenant shall deliver said policy or policies or certificates thereof to Landlord on or before the Lease Commencement Date and at least ten (10) days before the expiration dates thereof. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate, Landlord may, at its option, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord within five (5) days after delivery to Tenant of bills therefor.

10.5 **Subrogation**. Landlord and Tenant intend that their respective property loss risks shall be borne by reasonable insurance carriers to the extent above provided, and Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property loss to the extent that such coverage is agreed to be provided hereunder. The parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers, provided such waiver of subrogation shall not affect the right to the insured to recover thereunder. The parties agree that their respective insurance policies are now, or shall be, endorsed such that the waiver of subrogation shall not affect the right of the insured to recover thereunder, so long as no material additional premium is charged therefor.

10.6 **Additional Insurance Obligations**. Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord.

11. DAMAGE AND DESTRUCTION

11.1 **Repair of Damage to Premises by Landlord**. Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty. If the Premises or any Common Areas serving or providing access to the Premises shall be damaged by fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the Base Building and such Common Areas. Such restoration shall be to substantially the same condition of the Base Building and the Common Areas prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Building or Project or any other modifications to the Common Areas deemed desirable by Landlord, provided that access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Upon the occurrence of any damage to the Premises, Landlord shall repair any injury or damage to the Tenant Improvements and any other improvements which exist in the Premises as of the Lease Commencement Date (the "**Original Improvements**") installed in the Premises and shall return such Tenant Improvements and Original Improvements to their original condition. Prior to the commencement of construction, Tenant shall submit

to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the contractors to perform such improvement work. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or Common Areas necessary to Tenant's occupancy, Landlord shall allow Tenant a proportionate abatement of Rent during the time and to the extent the Premises are inaccessible or unfit for occupancy for the purposes permitted under this Lease, and not occupied by Tenant as a result thereof; provided, further, however, that if the damage or destruction is due to the negligence or willful misconduct of Tenant or any of its agents, employees, contractors, invitees or guests, Tenant shall be responsible for any reasonable, applicable insurance deductible (which shall be payable to Landlord upon demand) and there shall be no rent abatement (except to the extent Landlord is reimbursed from the proceeds of rental interruption insurance purchased by Landlord as part of Operating Expenses, if any).

11.2 **Landlord's Option to Repair**. Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, Building and/or Project, and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days after the date of discovery of the damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building or Project shall be damaged by fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (i) in Landlord's reasonable judgment, repairs cannot reasonably be completed within two hundred seventy (270) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building or Project or ground lessor with respect to the Building or Project shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; (iii) the damage is not fully covered by Landlord's insurance policies any deductible amounts (other than deductibles for any earthquake insurance carried by Landlord); or (iv) Landlord decides to rebuild the Building or Common Areas so that they will be substantially different structurally or architecturally and Landlord concurrently terminates all similarly affected leases in the Building; or (v) the damage occurs during the last twelve (12) months of the Lease Term and in Landlord's reasonable judgment, repairs cannot reasonably be completed within sixty (60) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums).

11.3 **Tenant's Termination Option**. If such fire or other casualty shall have damaged the Premises and as a result of such damage the Premises are unfit for occupancy, and provided that Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided in Section 11.2 above, and either (a) the repairs cannot, in Landlord's reasonable judgment, be completed within two hundred seventy (270) days after being commenced, or (b) the damage occurs during the last twelve months of the Lease Term and will reasonably require in excess of sixty (60) days to repair, Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than ninety (90) days after the date of such damage, to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant.

11.4 **Waiver of Statutory Provisions**. The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or the Project, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or the Project.

12. **NONWAIVER**. No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent

hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

13. CONDEMNATION. If the whole or any part of the Premises, Building or Project shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises, Building or Project, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith. All Rent shall be apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of The California Code of Civil Procedure. Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking.

14. ASSIGNMENT AND SUBLETTING

14.1 **Transfers**. Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as "**Transfers**" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "**Transferee**"). If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "**Transfer Notice**") shall include (i) the proposed effective date of the Transfer, which shall not be prior to the date Landlord consents to the Transfer nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "**Subject Space**"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the "Transfer Premium", as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and an executed copy of all documentation effectuating the proposed Transfer, including all operative documents to evidence such Transfer and all agreements incidental or related to such Transfer, and (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Subject Space. Any Transfer made without Landlord's prior written consent shall,

at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's review and processing fees, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord, within thirty (30) days after written request by Landlord, not to exceed $2,500.00 for a transfer in the ordinary course of business. Without limiting the meaning thereof, a Transfer requiring Landlord's review on more than two (2) occasions shall be deemed not to be "in the ordinary course of business".

14.2 **Landlord's Consent**. Landlord shall not unreasonably withhold its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply:

14.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or the Project, or would be a significantly less prestigious occupant of the Building than Tenant;

14.2.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease;

14.2.3 The Transferee is either a governmental agency or instrumentality thereof;

14.2.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested;

14.2.5 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease;

14.2.6 The terms of the proposed Transfer will allow the Transferee to exercise a right of renewal, right of expansion, right of first offer, or other similar right held by Tenant (or will allow the Transferee to occupy space leased by Tenant pursuant to any such right); or

14.2.7 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent, or (ii) is negotiating with Landlord to lease comparable space in the Project at such time, or (iii) has negotiated with Landlord during the six (6)-month period immediately preceding the Transfer Notice and Landlord has comparable space available.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may within six (6) months after Landlord's consent, but not later than the expiration of said six-month period, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (i) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (ii) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, their sole remedies shall be a suit for contract damages (other than damages for injury to, or interference with, Tenant's business including, without limitation, loss of profits, however occurring) or a declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant hereby waives all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all applicable laws, on behalf of the proposed Transferee.

14.3 **Transfer Premium**. If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, except during the Rent Abatement Period, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined in this Section 14.3, actually received by Tenant from such Transferee. "**Transfer Premium**" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses ("**Tenant Transfer Costs**") incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free base rent or tenant improvement allowance reasonably provided to the Transferee, (iii) any brokerage commissions in connection with the Transfer, and (iv) another other reasonable out-of-pocket costs incurred by Tenant to procure such Transfer. "**Transfer Premium**" shall also include, but not be limited to, key money, bonus money or other cash consideration paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer. In the calculations of the Rent (as it relates to the Transfer Premium calculated under this Section 14.3), the Rent paid during each annual period for the Subject Space shall be computed after adjusting such rent to the actual effective rent to be paid, taking into consideration any and all leasehold concessions granted in connection therewith, including, but not limited to, any rent credit and tenant improvement allowance.

14.4 **Landlord's Option as to Subject Space**. Notwithstanding anything to the contrary contained in this Article 14, Landlord shall have the option, by giving written notice to Tenant within twenty (20) days after receipt of any Transfer Notice, to recapture the Subject Space; provided, however, that Landlord hereby acknowledges and agrees that Landlord shall have no right to recapture space with respect to a sublease for less than substantially all of the remainder of the Lease Term or any sublease entered into by Tenant during the first twenty-four (24) months of the Lease Term. Such recapture notice shall cancel and terminate this Lease with respect to the Subject Space as of the date stated in the Transfer Notice as the effective date of the proposed Transfer until the last day of the term of the Transfer as set forth in the Transfer Notice (or at Landlord's option, shall cause the Transfer to be made to Landlord or its agent, in which case the parties shall execute the Transfer documentation promptly thereafter). In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the Rent reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to recapture the Subject Space under this Section 14.4, then, provided Landlord has consented to the proposed Transfer, Tenant shall be entitled to proceed to transfer the Subject Space to the proposed Transferee, subject to provisions of this Article 14.

14.5 **Effect of Transfer**. If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than five percent (5%), Tenant shall pay Landlord's actual, out-of-pocket costs of such audit.

14.6 **Intentionally Omitted**.

14.7 **Occurrence of Default**. Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any Transfer, Landlord shall have the right to: (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If Tenant shall be in default under this Lease beyond any applicable notice and cure periods set forth in this Lease, Landlord is hereby irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default hereunder, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

14.8 **Deemed Consent Transfers**. Notwithstanding anything to the contrary contained in this Lease, (A) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant as of the date of this Lease), (B) a sale of corporate shares of capital stock in Tenant in connection with an initial public offering of Tenant's stock on a nationally-recognized stock exchange, (C) an assignment of the Lease to an entity which acquires all or substantially all of the stock or assets of Tenant, or (D) an assignment of the Lease to an entity which is the resulting entity of a merger or consolidation of Tenant during the Lease Term, shall not be deemed a Transfer requiring Landlord's consent under this Article 14 (any such assignee or sublessee described in items (A) through (D) of this Section 14.8 hereinafter referred to as a "**Permitted Transferee**"), provided that (i) Tenant notifies Landlord at least ten (10) days prior to the effective date of any such assignment or sublease and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such transfer or transferee as set forth above (provided, however, that if Applicable Law or a confidentiality agreement prohibits Tenant from providing such prior notice and such documents and information prior to the effective date thereof, then Tenant shall provide such notice and documents and information within ten (10) days following the effective date), (ii) Tenant is not in default, beyond any applicable notice and cure period, and such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, (iii) such Permitted Transferee shall be of a character and reputation consistent with the quality of the Building, (iv) in the case of items (A), (C), or (D) above, such Permitted Transferee shall have a tangible net worth (not including goodwill as an asset) computed in accordance with generally accepted accounting principles ("**Net Worth**") at least equal to the Net Worth of Original Tenant on the date of this Lease, and (v) no assignment relating to this Lease, whether with or without Landlord's consent, shall relieve Tenant from any liability under this Lease, and, in the event of an assignment of Tenant's entire interest in this Lease, the liability of Tenant and such transferee shall be joint and several. An assignee of Tenant's entire interest in this Lease who qualifies as a Permitted Transferee may also be referred to herein as a "**Permitted Transferee Assignee**." "Control," as used in this Section 14.8, shall mean the ownership, directly or indirectly, of at least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in, any person or entity.

15. SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 **Surrender of Premises**. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.

15.2 **Removal of Tenant Property by Tenant**. Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in broom clean condition and in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, business and trade fixtures, free-standing cabinet work, movable partitions and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

16. HOLDING OVER. If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case, in addition to the Additional Rent due under this Lease, Base Rent shall be payable at a monthly rate equal to the greater of (i) 150% of the Base Rent applicable during the last rental period of the Lease Term under this Lease, and (ii) 110% of the then-current market rent for the Premises (as reasonably determined by Landlord). Such month-to-month tenancy shall be subject to every other applicable term, covenant and agreement contained herein. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom.

17. **ESTOPPEL CERTIFICATES**. Within ten (10) business days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be substantially in the form of **Exhibit E**, attached hereto (or such other form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Project. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term, but no more than twice in any calendar Year, Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with sound accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Failure of Tenant to timely execute, acknowledge and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception.

18. **SUBORDINATION**. This Lease shall be subject and subordinate to all present and future ground or underlying leases of the Building or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Building or Project or any part thereof, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto (collectively, the "**Superior Holders**"); provided, however, that in consideration of and a condition precedent to Tenant's agreement to subordinate this Lease to any future mortgage, trust deed or other encumbrances, shall be the receipt by Tenant of a subordination non-disturbance and attornment agreement in the standard commercially reasonable form provided by such Superior Holders, which requires such Superior Holder to accept this lease, and not to disturb tenant's possession, so long as an event of default has not occurred and be continuing (an "**SNDA**") executed by Landlord and the appropriate Superior Holder. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor shall agree to accept this Lease and not disturb Tenant's occupancy, so long as an event of default has not occurred and be continuing. Landlord's interest herein may be assigned as security at any time to any lienholder. Tenant shall, within ten (10) business days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale. Landlord, at Tenant's sole cost and expense, shall use commercially reasonable efforts to deliver to Tenant a subordination, non-disturbance and attornment agreement executed by any current lienholders of the Project.

19. DEFAULTS; REMEDIES

19.1 **Events of Default**. The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due unless such failure is cured within five (5) business days after written notice that such payment is past due; or

19.1.2 Except where a specific time period is otherwise set forth for Tenant's performance in this Lease, in which event the failure to perform by Tenant within such time period shall be a default by Tenant under this Section 19.1.2, any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default, but in no event exceeding a period of time in excess of ninety (90) days after written notice thereof from Landlord to Tenant; or

19.1.3 To the extent permitted by law, a general assignment by Tenant or any guarantor of this Lease for the benefit of creditors, or the taking of any corporate action in furtherance of bankruptcy or dissolution whether or not there exists any proceeding under an insolvency or bankruptcy law, or the filing by or against Tenant or any guarantor of any proceeding under an insolvency or bankruptcy law, unless in the case of a proceeding filed against Tenant or any guarantor the same is dismissed within sixty (60) days, or the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant or any guarantor, unless possession is restored to Tenant or such guarantor within thirty (30) days, or any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within thirty (30) days; or

19.1.4 Abandonment (as defined under Applicable Laws)of all or a substantial portion of the Premises by Tenant; or

19.1.5 The failure by Tenant to observe or perform according to the provisions of Articles 5, 14, 17 or 18 of this Lease where such failure continues for more than three (3) business days after notice from Landlord.

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided bylaw.

19.2 **Remedies Upon Default**. Upon the occurrence of any event of default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following: (i) the worth at the time of any unpaid rent which has been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "rent" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in Article 25 of this Lease, but in no case greater than the maximum amount of such interest permitted by law. As used in Section 19.2.1(iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.3 **Subleases of Tenant**. Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.4 **Form of Payment After Default**. Following the occurrence of an event of default by Tenant, Landlord shall have the right to require that any or all subsequent amounts paid by Tenant to Landlord hereunder, whether to cure the default in question or otherwise, be paid in the form of cash, money order, cashier's or certified check drawn on an institution acceptable to Landlord, or by other means approved by Landlord, notwithstanding any prior practice of accepting payments in any different form.

19.5 **Efforts to Relet**. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease.

19.6 **Landlord Default**. Notwithstanding anything to the contrary set forth in this Lease, Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease unless Landlord fails to perform such obligation within thirty (30) days after written notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) day period and thereafter diligently pursue the same to completion. Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity.

20. COVENANT OF QUIET ENJOYMENT. Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

21. LETTER OF CREDIT.

21.1 **Delivery of Letter of Credit**. Tenant shall deliver to Landlord, within five (5) business days following Tenant's execution of this Lease, an unconditional, clean, irrevocable letter of credit (the "**L-C**") in the amount set forth in Section 21.3 below (the "**L-C Amount**"), which L-C shall be issued by a money-center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a local San Francisco, California office which will negotiate a letter of credit, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approved, issuing bank being referred to herein as the "**Bank**"), which Bank must have a short term Fitch Rating which is not less than "F1", and a long term Fitch Rating which is not less than "A"(or in the event such Fitch Ratings are no longer available, a comparable rating from Standard and Poor's Professional Rating Service or Moody's Professional Rating Service) (collectively, the "**Bank's Credit Rating Threshold**"), and which L-C shall substantially be in the form of **Exhibit F**, attached hereto. Notwithstanding the foregoing, Landlord hereby approves First Republic Bank as the Bank for the initial L-C under this Article 21; provided, however that the "Bank's Credit Rating Threshold" in connection with any such initial L-C issued by First Republic Bank shall be a short term Fitch Rating which is not less than "F1", and a long term Fitch Rating which is not less than "A-"(or in the event such Fitch Ratings are no longer available, a comparable rating from Standard and Poor's Professional Rating Service or Moody's Professional Rating Service). Tenant shall pay all expenses, points and/or fees

incurred by Tenant in obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of this Lease and continuing until the date (the "**L-C Expiration Date**") that is no less than ninety-five (95) days after the expiration of the Lease Term, as the same may be extended, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least thirty (30) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the International Standby Practices-ISP 98, International Chamber of Commerce Publication #590. Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of this Lease, or (B) Tenant has filed a voluntary petition under the U. S. Bankruptcy Code or any state bankruptcy code (collectively, "**Bankruptcy Code**"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code, or (D) the Lease has been rejected, or is deemed rejected, under Section 365 of the U.S. Bankruptcy Code, following the filing of a voluntary petition by Tenant under the Bankruptcy Code, or the filing of an involuntary petition against Tenant under the Bankruptcy Code, or (E) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date, or (F) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (G) Tenant executes an assignment for the benefit of creditors, or (H) if (1) any of the Bank's Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are no longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit, conforming in all respects to the requirements of this Article 21 (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this Section 21.1 above), in the amount of the applicable L-C Amount, within ten (10) days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) (each of the foregoing being an "**L-C Draw Event**"). The L-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this Article 21, and, within ten (10) days following Landlord's notice to Tenant of such receivership or conservatorship (the "**L-C FDIC Replacement Notice**"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this Article 21. If Tenant fails to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Section 21.1, then, notwithstanding anything in this Lease to the contrary, Landlord shall have the right to declare Tenant in default of this Lease for which there shall be no notice or grace or cure periods being applicable thereto (other than the aforesaid ten (10) day period). Tenant shall be responsible for the payment of any and all costs incurred with the review of any replacement L-C (including without limitation Landlord's reasonable attorneys' fees), which replacement is required pursuant to this Section or is otherwise requested by Tenant. In the event of an assignment by Tenant of its interest in the Lease (and irrespective of whether Landlord's consent is required for such assignment), the acceptance of any replacement or substitute letter of credit by Landlord from the assignee shall be subject to Landlord's reasonable discretion.

21.2 **Application of L-C**. Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may, but without obligation to do so, and without notice to Tenant (except in connection with an L-C Draw Event under Section 21.1(H) above), draw upon the L-C, in part or in whole, to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. The use, application or retention of the L-C, or any portion thereof, by Landlord shall not prevent

Landlord from exercising any other right or remedy provided by this Lease or by any applicable law, it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees not to interfere in any way with payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw upon the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional to justify the issuer of the L-C in failing to honor a drawing upon such L-C in a timely manner. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise.

21.3 **L-C Amount; Maintenance of L-C by Tenant; Liquidated Damages**.

21.3.1.1 **L-C Amount**. The L-C Amount shall be equal to the amount set forth in Section 8 of the Summary.

21.3.1.2 **Reduction of L-C Amount**. Provided that, as of each "Reduction Date" set forth below, (i) Tenant is not then in Material Default under this Lease, (ii) on or prior to the applicable Reduction Date, Tenant tenders to Landlord a replacement Letter of Credit or a certificate of amendment to the existing Letter of Credit, conforming in all respects to the requirements of this Article 21, in the amount of the applicable L-C Amount as of such Reduction Date, and (iii) for the four (4) accounting quarters immediately a Reduction Date, the most recent audited financial statements of Tenant show a net profit calculated pursuant to generally accepted accounting practices of greater than Zero Dollars ($0.00) (the "**Net Profit Threshold**") (provided, however, that the Net Profit Threshold shall not apply to a reduction of the L-C Amount on the first Reduction Date set forth below), then the L-C Amount shall be reduced as follows:

Reduction Date	L-C Amount
First day of the thirty-seventh (37th) full calendar month of the Lease Term.	$4,018,290.72
First day of the forty-ninth (49th) full calendar month of the Lease Term.	$3,264,861.21
First day of the sixty-first (61st) full calendar month of the Lease Term.	$2,511,431.70
First day of the seventy-third (73rd) full calendar month of the Lease Term.	$1,758,002.19
First day of the eighty-fifth (85th) full calendar month of the Lease Term.	$1,004,572.68

Notwithstanding anything to the contrary set forth in this Section 21.3.1.2, if (i) Tenant is in Material Default under this Lease as of any applicable Reduction Date, or (ii) Tenant does not satisfy the Net Profit Threshold (if applicable) as of any applicable Reduction Date, then the L-C Amount shall not be reduced hereunder on such Reduction Date and the reduction of the L-C Amount (and such Reduction Date and all subsequent Reduction Dates) shall be delayed on a day-for-day basis until Tenant satisfies the requirements of reducing the L-C Amount applicable to such Reduction Date as set forth hereunder, and no further reductions of the L-C Amount shall occur hereunder.

21.3.2 **In General**. If, as a result of any drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within ten (10) days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency, and any such additional letter(s) of credit shall comply with all of the provisions of this Article 21, and if Tenant fails to comply with the foregoing, the same shall be subject to the terms of Section 21.3.3 below. Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than thirty (30) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its reasonable discretion. If Tenant exercises its option to extend the Lease Term pursuant to Section 2.2 of this Lease then, not later than thirty (30) days prior to the commencement of the Option Term, Tenant shall deliver to Landlord a new L C or certificate of renewal or extension evidencing the L-C Expiration Date as ninety-five (95) days after the expiration of the Option Term. However, if the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this Article 21, Landlord shall have the right to either (x) present the L-C to the Bank in accordance with the terms of this Article 21, and the proceeds of the L-C may be applied by Landlord against any Rent payable by Tenant under this Lease that is not paid when due and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under this Lease, or (y) pursue its remedy under Section 21.3.3 below. In the event Landlord elects to exercise its rights under the foregoing item (x), (I) any unused proceeds shall constitute the property of Landlord (and not Tenant's property or, in the event of a receivership, conservatorship, or a bankruptcy filing by, or on behalf of, Tenant, property of such receivership, conservatorship or Tenant's bankruptcy estate) and need not be segregated from Landlord's other assets, and (II) Landlord agrees to pay to Tenant within thirty (30) days after the earlier to occur of (1) the L-C Expiration Date or (2) the date that Tenant provides Landlord with a replacement L-C, the amount of any proceeds of the L-C received by Landlord and not applied against any Rent payable by Tenant under this Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under this Lease; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of Tenant's creditors, under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused L-C proceeds until either all preference issues relating to payments under this Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed.

21.4 **Transfer and Encumbrance**. The L-C shall also provide that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all or any portion of its interest in and to the L-C to another party, person or entity, regardless of whether or not such transfer is from or as a part of the assignment by Landlord of its rights and interests in and to this Lease. In the event of a transfer of Landlord's interest in under this Lease, Landlord shall transfer the L-C, in whole or in part, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and, Tenant shall be responsible for paying the Bank's transfer and processing fees in connection therewith; provided that, Landlord shall have the right (in its sole discretion), but not the obligation, to pay such fees on behalf of Tenant, in which case Tenant shall reimburse Landlord within ten (10) days after Tenant's receipt of an invoice from Landlord therefor.

21.5 **L-C Not a Security Deposit**. Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context, including, but not limited to, Section 1950.7 of the California Civil Code, as such Section now exists or as it may be hereafter amended or succeeded (the "**Security Deposit Laws**"), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes the provisions of Section 1950.7 of the California Civil Code and any successor statute, and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in this Article 21 and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of this Lease, including any damages Landlord suffers following termination of this Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code.

21.6 **Non-Interference By Tenant**. Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner. Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C.

21.7 **Waiver of Certain Relief**. Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the L-C:

21.7.1 A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any L-C or the Bank's honoring or payment of sight draft(s); or

21.7.2 Any attachment, garnishment, or levy in any manner upon either the proceeds of any L-C or the obligations of the Bank (either before or after the presentment to the Bank of sight drafts drawn under such L-C) based on any theory whatever.

21.8 **Remedy for Improper Drafts**. Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any L-C shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, together with interest at the Interest Rate and reasonable actual out-of-pocket attorneys' fees, provided that at the time of such refund, Tenant increases the amount of such L-C to the amount (if any) then required under the applicable provisions of this Lease. Tenant acknowledges that the presentment of sight drafts drawn under any L-C, or the Bank's payment of sight drafts drawn under such L-C, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) business days after demand, Tenant shall have the right to deduct the amount thereof together with interest thereon at the Interest Rate from the next installment(s) of Base Rent.

22. INTENTIONALLY OMITTED.

23. SIGNS

23.1 **Full Floors**. Provided all signs are in keeping with the quality, design and style of the Building and Project, Tenant, if the Premises comprise an entire floor of the Building, at its sole cost and expense, may install identification signage anywhere in the Premises including in the elevator lobby of the Premises, provided that such signs must not be visible from the exterior of the Building.

23.2 **Prohibited Signage and Other Items**. Except as set forth in this Article 23, any signs, notices, logos, pictures, names or advertisements which are installed and that have not been separately approved by Landlord may be removed without notice by Landlord at the sole expense of Tenant. Tenant may not install any signs on the exterior or roof of the Project or the Common Areas except as provided herein. Any window coverings, or blinds (even if the same are located behind the Landlord-approved window coverings for the Building), or other items visible from the exterior of the Premises or Building, shall be subject to the prior reasonable approval of Landlord, which shall not be unreasonably conditioned, withheld, or delayed.

23.3 **Building Directory**. A building directory will be located in the lobby of the Building. Tenant shall have the right, at Tenant's sole cost and expense, to designate name strips to be displayed under Tenant's entry in such directory at the rate of one and four-tenths (1.4) strips per each 1,000 rentable square feet of the Premises.

23.4 **Exterior Signage**.

23.4.1 Exterior Signage. Subject to Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed, and provided all signs are in keeping with the quality, design and style of the Building and Project, Tenant, at its sole cost and expense, may install (i) one (1) sign identifying Tenant's name and/or logo on the exterior of the Building on the Pine Street side of the Building, and (ii) one (1) sign identifying Tenant's name and/or logo on the exterior of the Building on the Kearny Street side of the Building ("**Tenant Signage**"). Landlord hereby approves the installation of Tenant's Signage as set forth in **Exhibit H** attached hereto, to the extent Tenant's Signage is installed in a manner consistent with such **Exhibit H**. All such signage shall be subject to Tenant's obtaining all required governmental approvals. All permitted signs shall be maintained by Tenant at its expense in a good and safe condition and appearance. Upon the expiration or earlier termination of this Lease, Tenant shall remove all of its signs at Tenant's sole cost and expense and repair any damage caused by the installation or removal of such signs. The graphics, materials, color, design, lettering, lighting, size, illumination, specifications and exact location of Tenant's Signage (collectively, the "**Sign Specifications**") shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be consistent and compatible with the quality and nature of the Project. Tenant hereby acknowledges that, notwithstanding Landlord's approval of Tenant's Signage, Landlord has made no representation or warranty to Tenant with respect to the probability of obtaining all necessary governmental approvals and permits for Tenant's Signage. In the event Tenant does not receive the necessary governmental approvals and permits for Tenant's Signage, Tenant's and Landlord's rights and obligations under the remaining terms of this Lease shall be unaffected.

23.4.2 **Requirements for Tenant's Signage**. The right to install Tenant's Signage shall be personal to the Original Tenant and its Permitted Transferee Assignee, and shall terminate (i) at any time that Tenant shall be in default of the Lease, after expiration of any applicable notice and cure periods, or (ii) at any time that Tenant shall fail to occupy at least three (3) full floors in the Building.

23.4.3 **Cost and Maintenance**. The costs of the actual signs comprising Tenant's Signage and the installation, design, construction, and any and all other costs associated with Tenant's Signage, including, without limitation, utility charges and hook-up fees, permits, and maintenance and repairs, shall be the sole responsibility of Tenant. Upon the expiration or earlier termination of this Lease or Tenant's right to exercise the Tenant's Signage right, Tenant shall, at Tenant's sole cost and expense,

cause Tenant's Signage to be removed and shall cause the areas in which such Tenant's Signage was located to be restored to the condition existing immediately prior to the placement of such Tenant's Signage. If Tenant fails to timely remove such Tenant's Signage or to restore the areas in which such Tenant's Signage was located, as provided in the immediately preceding sentence, then Landlord may perform such work, and all costs incurred by Landlord in so performing (including a percentage of the cost thereof sufficient to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such repairs and/or maintenance) shall be reimbursed by Tenant to Landlord within thirty (30) days after Tenant's receipt of an invoice therefor together with reasonable supporting evidence. The terms of this Section 23.4.3 shall survive the expiration or earlier termination of this Lease.

23.4.4 **Objectionable Name**. Tenant's Signage shall not include a name or logo which relates to an entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of the Comparable Buildings (an "**Objectionable Name**"). The parties hereby agree that "Blend Labs", or any reasonable derivation thereof, shall be deemed not to constitute an Objectionable Name.

24. COMPLIANCE WITH LAW. Tenant shall not do anything or suffer anything to be done in or about the Premises or the Project which will in any way conflict with any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated (collectively, "**Applicable Laws**"). At its sole cost and expense, Tenant shall promptly comply with all such Applicable Laws which relate to (i) the Premises, (ii) any Alterations made by Tenant to the Premises, and any Tenant Improvements in the Premises, or (iii) the Base Building, but as to the Base Building, only to the extent such obligations are triggered by Alterations made by Tenant to the Premises to the extent such Alterations are not normal and customary business office improvements, or triggered by the Tenant Improvements to the extent such Tenant Improvements are not normal and customary business office improvements, or triggered by Tenant's use of the Premises for non-general office use. Should any standard or regulation now or hereafter be imposed on Landlord or Tenant by a state, federal or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, landlords or tenants, then Tenant agrees, at its sole cost and expense, to comply promptly with such standards or regulations. Tenant shall be responsible, at its sole cost and expense, to make all alterations to the Premises as are required to comply with the governmental rules, regulations, requirements or standards described in this Article 24. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant.

25. LATE CHARGES. If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee on or prior to the date due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. Landlord shall deliver notice to Tenant following the first late charge incurred by Tenant during the Lease Term. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) days after the date they are due shall bear interest from the date when due until paid at a rate per annum (the "**Interest Rate**") equal to the lesser of (i) the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication G.13(415), published on the first Tuesday of each calendar month (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published) plus four (4) percentage points, and (ii) the highest rate permitted by applicable law.

26. LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT

26.1 **Landlord's Cure**. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent, except to the extent, if any, otherwise expressly provided herein. If Tenant shall fail to perform any obligation under this Lease, and such failure shall continue in excess of the time allowed under Section 19.1.2, above, unless a specific time period is otherwise stated in this Lease, and Landlord has notified Tenant of such failure, Landlord may, but shall not be obligated to, make any such payment or perform any such act on Tenant's part without waiving its rights based upon any Default of Tenant and without releasing Tenant from any obligations hereunder.

26.2 **Tenant's Reimbursement**. Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, upon delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of Section 26.1; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Article 10 of this Lease; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all legal fees and other amounts so expended, provided that Tenant was obligated to pay such amounts of Rent and such amounts of Rent were not paid by Tenant when due. Tenant's obligations under this Section 26.2 shall survive the expiration or sooner termination of the Lease Term.

27. **ENTRY BY LANDLORD**. Landlord reserves the right at all reasonable times and upon reasonable notice to Tenant (except in the case of an emergency) to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants, or to current or prospective mortgagees, ground or underlying lessors or insurers; (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building, or for structural alterations, repairs or improvements to the Building or the Building's systems and equipment. Notwithstanding anything to the contrary contained in this Article 27, Landlord may enter the Premises at any time to (A) perform services required of Landlord, including janitorial service; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform and which Landlord has a right to perform on behalf of Tenant (whether pursuant to the terms of this Lease or Applicable Laws). Landlord may make any such entries without the abatement of Rent and may take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. No provision of this Lease shall be construed as obligating Landlord to perform any repairs, alterations or decorations except as otherwise expressly agreed to be performed by Landlord herein.

28. TENANT PARKING

28.1 **Tenant Parking Passes**. Tenant shall be entitled rent from Landlord, commencing on the Lease Commencement Date, up to the amount of parking passes set forth in Section 9 of the Summary, on a monthly basis throughout the Lease Term, which parking passes shall pertain to the Project parking facility. Within thirty (30) days of the Lease Commencement Date, Tenant shall deliver notice to Landlord electing the number of parking passes Tenant desires to rent from Landlord (up to the amount of parking passes set forth in Section 9 of the Summary). Further, upon at least thirty (30) days' prior written notice to Landlord, Tenant may reduce the number of parking passes Tenant rents from Landlord under this Lease. For any parking passes Tenant does not elect to rent from Landlord under this Lease (as the same may be reduced from time to time throughout the Lease Term in accordance with the terms of the preceding sentence), Tenant shall have no further rights thereto and Landlord shall be free to rent such parking passes to any third parties, in Landlord's sole and absolute discretion. Tenant shall pay to Landlord for automobile parking passes on a monthly basis the prevailing rate charged from time to time at the location of such

parking passes. In addition, Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority in connection with the renting of such parking passes by Tenant or the use of the parking facility by Tenant. Tenant's continued right to use the parking passes is conditioned upon Tenant abiding by all rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking passes are located, including any sticker or other identification system established by Landlord, Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations and Tenant not being in default under this Lease.

28.2 **Other Terms**. Landlord specifically reserves the right to change the size, configuration, design, layout and all other aspects of the Project parking facility at any time and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease, from time to time, close-off or restrict access to the Project parking facility for purposes of permitting or facilitating any such construction, alteration or improvements. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord. The parking passes rented by Tenant pursuant to this Article 28 are provided to Tenant solely for use by Tenant's own personnel and such passes may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval. Tenant may validate visitor parking by such method or methods as the Landlord may establish, at the validation rate from time to time generally applicable to visitor parking.

28.3 **Parking Procedures**. The parking passes initially will not be separately identified; however Landlord reserves the right in its sole and absolute discretion to separately identify by signs or other markings the area to which Tenant's parking passes relate. Landlord shall have no obligation to monitor the use of such parking facility, nor shall Landlord be responsible for any loss or damage to any vehicle or other property or for any injury to any person. Tenant's parking passes shall be used only for parking of automobiles no larger than full size passenger automobiles, sport utility vehicles or pick-up trucks. Tenant shall comply with all rules and regulations which may be adopted by Landlord from time to time with respect to parking and/or the parking facilities servicing the Project. Tenant shall not at any time use more parking passes than the number so allocated to Tenant or park its vehicles or the vehicles of others in any portion of the Project parking facility not designated by Landlord as a non-exclusive parking area. Tenant shall not have the exclusive right to use any specific parking space. If Landlord grants to any other tenant the exclusive right to use any particular parking space(s), Tenant shall not use such spaces. All trucks (other than pick-up trucks) and delivery vehicles shall be (i) parked at the loading dock of the Building, (ii) loaded and unloaded in a manner which does not interfere with the businesses of other occupants of the Project, and (iii) permitted to remain on the Project only so long as is reasonably necessary to complete loading and unloading. In the event Landlord elects in its sole and absolute discretion or is required by any law to limit or control parking, whether by validation of parking tickets or any other method of assessment, Tenant agrees to participate in such validation or assessment program under such reasonable rules and regulations as are from time to time established by Landlord.

29. MISCELLANEOUS PROVISIONS

29.1 **Captions**. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

29.2 **Binding Effect**. Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

29.3 **No Air Rights**. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

29.4 **Modification of Lease**. Should any current or prospective mortgagee or ground lessor for the Building or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within ten (10) business days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within ten (10) business days following the request therefor.

29.5 **Transfer of Landlord's Interest**. Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Building and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease accruing from and after the date of transfer and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder from and after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord, including the return of any Security Deposit, and Tenant shall attorn to such transferee. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

29.6 **Prohibition Against Recording**. Except as provided in Section 29.4 of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant.

29.7 **Landlord's Title**. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

29.8 **Relationship of Parties**. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

29.9 **Application of Payments**. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

29.10 **Time of Essence**. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

29.11 **Partial Invalidity**. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

29.12 **No Warranty**. In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto.

29.13 **Landlord Exculpation**. The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to an amount which is equal to the lesser of (a) the interest

of Landlord in the Project or (b) the equity interest Landlord would have in the Project if the Project were encumbered by third-party debt in an amount equal to eighty percent (80%) of the value of the Project (as such value is determined by Landlord), plus any rents, incomes, proceeds and awards derived from the Project, provided that in no event shall such liability extend to any sales or insurance proceeds received by Landlord or the Landlord Parties in connection with the Project, Building or Premises. Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 29.13 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

29.14 **Entire Agreement**. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

29.15 **Right to Lease**. Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building or Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Project.

29.16 **Force Majeure**. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by either party pursuant to this Lease and except as to Tenant's obligations under Articles 5 and 24 of this Lease (collectively, a "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

29.17 **Waiver of Redemption by Tenant**. Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

29.18 **Notices**. All notices, demands, statements, designations, approvals or other communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder or by law shall be in writing, shall be (A) sent by United States certified or registered mail, postage prepaid, return receipt requested ("**Mail**"), (B) delivered by a nationally recognized overnight courier, or (C) delivered personally. Any Notice shall be sent, transmitted, or delivered, as the case may be, to Tenant at the appropriate address set forth in Section 10 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord, or to Landlord at the addresses set forth below, or to such other places as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given (i) three (3) days after the date it is posted if sent by Mail, (ii) the date the overnight courier delivery

is made, or (iii) the date personal delivery is made or attempted to be made. If Tenant is notified of the identity and address of Landlord's mortgagee or ground or underlying lessor, Tenant shall give to such mortgagee or ground or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground or underlying lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant. As of the date of this Lease, any Notices to Landlord must be sent, transmitted, or delivered, as the case may be, to the following addresses:

Landlord:

500 Pine Street Company LLC
c/o Lincoln Property Company Commercial, Inc.
2000 McKinney Avenue, Suite 1000
Dallas, Texas 75201
Attention: Mr. Greg Courtwright

with copies to:

500 Pine Street Company LLC
c/o Lincoln Property Company
55 Francisco Street, Suite 450
San Francisco, California 94133
Attention: Property Management

and

Allen Matkins Leck Gamble & Mallory LLP
1901 Avenue of the Stars, Suite 1800
Los Angeles, California 90067
Attention: Anton N. Natsis, Esq.

29.19 **Joint and Several**. If there is more than one Tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

29.20 **Authority**. If Tenant is a corporation, trust or partnership, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. In such event, Tenant shall, within ten (10) days after execution of this Lease, deliver to Landlord satisfactory evidence of such authority and, if a corporation, upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of incorporation and (ii) qualification to do business in California.

29.21 **Attorneys' Fees**. In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

29.22 **Governing Law; WAIVER OF TRIAL BY JURY**. This Lease shall be construed and enforced in accordance with the laws of the State of California. IN ANY ACTION OR PROCEEDING ARISING HEREFROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF CALIFORNIA, (II) SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY CALIFORNIA LAW, AND (III) IN THE INTEREST OF SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT

BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF BASE RENT OR ADDITIONAL RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW.

29.23 **Submission of Lease**. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

29.24 **Brokers**. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 12 of the Summary (the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party. Landlord shall pay any and all fees due to the Brokers in connection with this Lease pursuant to a separate written agreement.

29.25 **Independent Covenants**. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

29.26 **Project or Building Name and Signage**. Landlord shall have the right at any time to change the name of the Project or Building and to install, affix and maintain any and all signs on the exterior and on the interior of the Project or Building as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises, without the prior written consent of Landlord.

29.27 **Intentionally Omitted**.

29.28 **Counterparts**. This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease.

29.29 **Confidentiality**. Tenant acknowledges that the content of this Lease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants.

29.30 **Transportation Management**. Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Building, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities.

29.31 **Building Renovations**. It is specifically understood and agreed that Landlord has made no representation or warranty to Tenant and has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, Building, or any part thereof and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant except as specifically set forth herein or in the Tenant Work Letter. However, Tenant hereby acknowledges that Landlord is currently renovating or may during the Lease Term renovate, improve, alter, or modify (collectively, the "**Renovations**") the Project, the Building and/or the Premises including without limitation the parking structure, common areas, systems and equipment, roof, and structural portions of the same, which Renovations may include, without limitation, (i) installing sprinklers in the Building common areas and tenant spaces, (ii) modifying the common areas and tenant spaces to comply with applicable laws and regulations, including regulations relating to the physically disabled, seismic conditions, and building safety and security, and (iii) installing new floor covering, lighting, and wall coverings in the Building common areas, and in connection with any Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Project, including portions of the common areas, or perform work in the Building, which work may create noise, dust or leave debris in the Building. Landlord shall use commercially reasonable efforts to complete any Renovations in a manner which does not materially, adversely affect Tenant's use of or access to the Premises. Notwithstanding the foregoing, Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations or Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions.

29.32 **No Violation**. Tenant hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement, instrument, contract, law, rule or regulation by which Tenant is bound, and Tenant shall protect, defend, indemnify and hold Landlord harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from Tenant's breach of this warranty and representation.

29.33 **Communications and Computer Lines**. Tenant may install, maintain, replace, remove or use any communications or computer wires and cables (collectively, the "Lines") at the Project in or serving the Premises, provided that (i) Tenant shall obtain Landlord's prior written consent, use an experienced and qualified contractor approved in writing by Landlord, and comply with all of the other provisions of Articles 7 and 8 of this Lease, which consent shall not be unreasonably withheld, (ii) the Lines therefor (including riser cables) shall be appropriately insulated to prevent excessive electromagnetic fields or radiation, and shall be surrounded by a protective conduit reasonably acceptable to Landlord, (iii) any new or existing Lines servicing the Premises shall comply with all applicable governmental laws and regulations, and (iv) Tenant shall pay all costs in connection therewith. Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed in violation of these provisions, or which are at any time in violation of any laws or represent a dangerous or potentially dangerous condition. Notwithstanding the foregoing, Landlord reserves the right to require that all work performed in the telephone riser of the Building be performed by Landlord's designated riser management contractor.

29.33.1 **Construction of Project and Other Improvements**. Tenant acknowledges that portions of the Project and/or the Other Improvements may be under construction following Tenant's occupancy of the Premises, and that such construction may result in levels of noise, dust, obstruction of access, etc. which are in excess of that present in a fully constructed project. Tenant hereby waives any and all rent offsets or claims of constructive eviction which may arise in connection with such construction.

29.34 **Office and Communications Services**.

29.34.1 **The Provider**. Landlord has advised Tenant that certain communications services used by tenants of the Building must be provided by a concessionaire under contract to Landlord ("**Provider**"). Tenant shall be permitted to contract with Provider for the provision of any or all of such services on such terms and conditions as Tenant and Provider may agree.

29.34.2 **Other Terms**. Tenant acknowledges and agrees that: (i) Landlord has made no warranty or representation to Tenant with respect to the availability of any such services, or the quality, reliability or suitability thereof; (ii) the Provider is not acting as the agent or representative of Landlord in the provision of such services, and Landlord shall have no liability or responsibility for any failure or inadequacy of such services, or any equipment or facilities used in the furnishing thereof, or any act or omission of Provider, or its agents, employees, representatives, officers or contractors; (iii) Landlord shall have no responsibility or liability for the installation, alteration, repair, maintenance, furnishing, operation, adjustment or removal of any such services, equipment or facilities; and (iv) any contract or other agreement between Tenant and Provider shall be independent of this Lease, the obligations of Tenant hereunder, and the rights of Landlord hereunder, and, without limiting the foregoing, no default or failure of Provider with respect to any such services, equipment or facilities, or under any contract or agreement relating thereto, shall have any effect on this Lease or give to Tenant any offset or defense to the full and timely performance of its obligations hereunder, or entitle Tenant to any abatement of rent or additional rent or any other payment required to be made by Tenant hereunder, or constitute any accrual or constructive eviction of Tenant, or otherwise give rise to any other claim of any nature against Landlord.

29.35 **Signatures**. The parties hereto consent and agree that this Lease may be signed and/or transmitted by facsimile, e-mail of a .pdf document or using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party's handwritten signature. The parties further consent and agree that (1) to the extent a party signs this Lease using electronic signature technology, by clicking "SIGN", such party is signing this Lease electronically, and (2) the electronic signatures appearing on this Lease shall be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures.

(signatures set forth on following page)

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

"LANDLORD"

500 PINE STREET COMPANY LLC,
a Delaware limited liability company

By: 500 Pine Street Holding, LLC
its Sole Member

By: Gemdale JV Bush-Pine Real Estate
Development Company, LLC,
its Sole Member

By: LO Bush/Pine LLC,
its Administrative Member

By: Non-Member Manager, Inc.,
its Manager

By: /s/ John Herr
Name: John Herr
Title: Vice President

"TENANT"

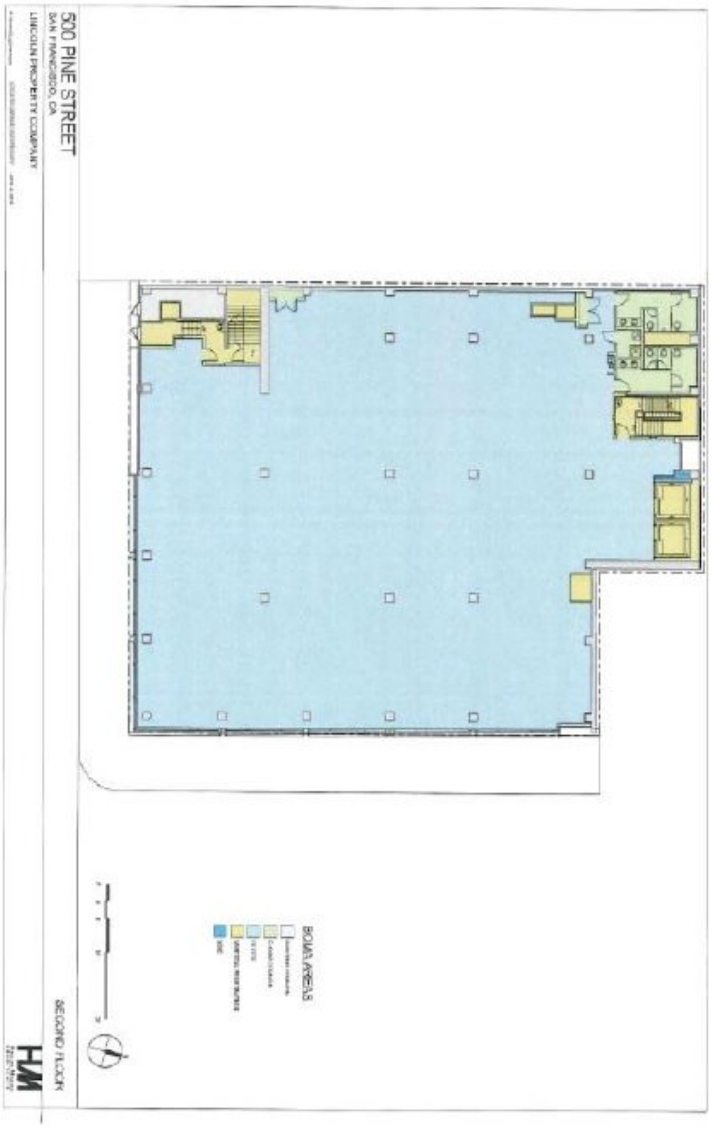
BLEND LABS, INC.,
a Delaware corporation

By: /s/ Nima Ghamsari
Name: Nima Ghamsari
Its: CEO

By: /s/ Erin Collard
Name: Erin Collard
Its: CFO

EXHIBIT A

OUTLINE OF PREMISES



500 PINE STREET
SAN FRANCISCO, CA
LINCOLN PROPERTY COMPANY
THIRD FLOOR

EXHIBIT A
-2-

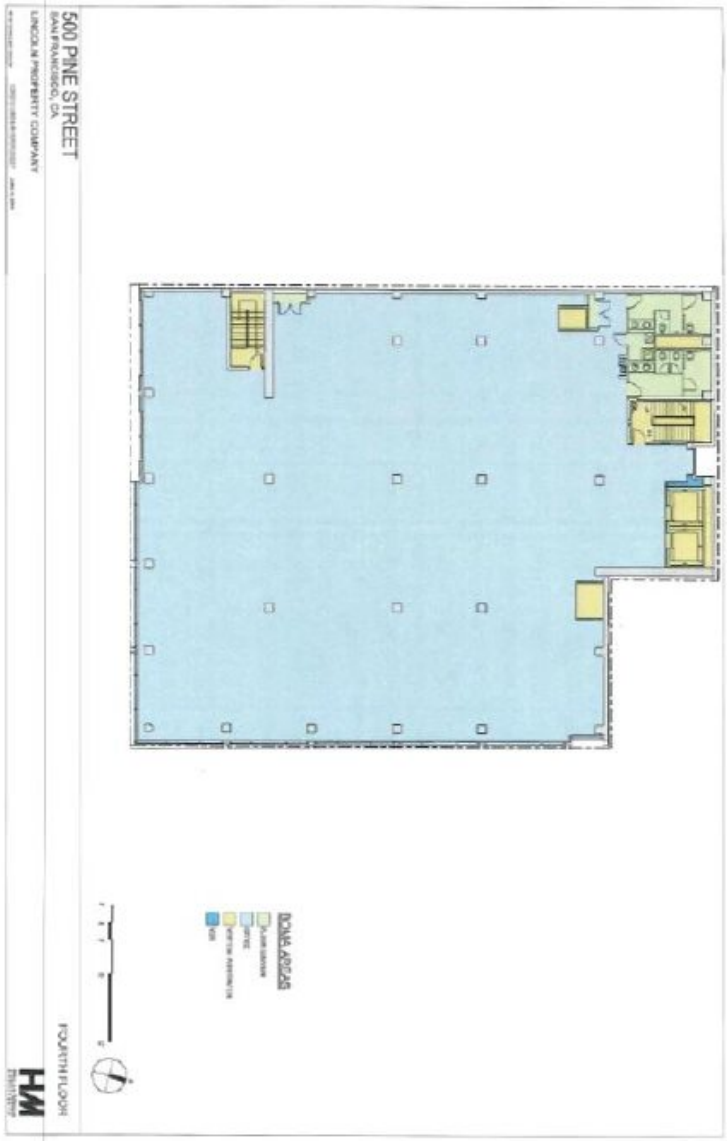

500 PINE STREET
SAN FRANCISCO, CA
LINCOLN PROPERTY COMPANY
FOURTH FLOOR
RENTABLE AREAS

EXHIBIT A
-3-

EXHIBIT A
-4-

EXHIBIT B

TENANT WORK LETTER

This Tenant Work Letter shall set forth the terms and conditions relating to the construction of the Premises. This Tenant Work Letter is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise during the actual construction of the Premises. All references in this Tenant Work Letter to Articles or Sections of "this Lease" shall mean the relevant portions of Articles 1 through 29 of the Office Lease to which this Tenant Work Letter is attached as Exhibit B, and all references in this Tenant Work Letter to Sections of "this Tenant Work Letter" shall mean the relevant portions of Sections 1 through 6 of this Tenant Work Letter.

SECTION 1

TENANT IMPROVEMENTS

Using Building standard materials, components and finishes, as reasonably designated by Landlord, Landlord, at Landlord's sole cost and expense (except as otherwise set forth in this Section 1 and Section 2 below), shall cause the installation and/or construction of (a) those certain items identified on the "Approved Space Plan," defined below, and (b) the entrance to the fire stairs connecting the elevator lobby to the upper floors shall be opened as much as commercially reasonably possible with the installation of won doors as required to be in compliance with Applicable Laws (the "**Fire Stair Work**") (provided, however, that the final design of such Fire Stair Work shall be reasonably determined by Landlord) (collectively, the "**Tenant Improvements**") and the completion of that certain work set forth on **Schedule 2** attached hereto (the "**Landlord Work**"). The term "**Approved Space Plan**" shall mean that certain space plan for the Premises prepared by Studio O+A (the "**Architect**"), dated as of October 12, 2016, and attached hereto as **Schedule 1**, which Approved Space Plan has been approved by Landlord and Tenant. Immediately upon the full execution and delivery of this Lease, Tenant shall cooperate in good faith with Landlord's architects and engineers to supply the necessary information, if any, required to allow the Landlord's architects and engineers to complete any additional architectural and engineering drawings for the Premises in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits and in a manner consistent with, and which are a logical extension of, the Approved Space Plan (the "**Approved Working Drawings**"). Tenant shall make no changes, additions or modifications to the Tenant Improvements or the Approved Space Plan or the Approved Working Drawings or require the installation of any "Non-Conforming Tenant Improvements," as defined in Section 2, below without the prior written consent of Landlord, which consent shall not be unreasonably withheld, but may be withheld in Landlord's sole discretion if such change or modification would directly or indirectly delay the "Substantial Completion," as that term is defined in Section 5.1 of this Tenant Work Letter, of the Tenant Improvements or impose any additional costs. Notwithstanding the foregoing or any contrary provision of this Lease, all Tenant Improvements shall be deemed Landlord's property under the terms of this Lease. Notwithstanding any provision to the contrary set forth in this Tenant Work Letter, Tenant shall deliver to Landlord payment in the amount of Twenty Three Thousand Six Hundred Seventy Six and No/100 Dollars ($23,676.00) (the "**Landlord Coordination Fee**") within thirty (30) days of the commencement of construction of the Tenant Improvements, provided, however, that, at Landlord's option, Landlord may elect to deduct the Landlord Coordination Fee from the "Landlord Contribution Amount," as that term is defined in Section 2.1 below.

SECTION 2

LANDLORD CONTRIBUTION AMOUNT; NON-CONFORMING TENANT IMPROVEMENTS

2.1 Landlord Contribution Amount. Notwithstanding anything to the contrary contained herein or in this Lease, the costs and expenses incurred by Landlord in connection with the construction of the Tenant Improvements (inclusive of architectural costs, engineering costs, general contractor costs, and the cost of all local and state filing fees, permits and approvals, if any, required to be obtained in order to perform and complete such work) shall not exceed an aggregate amount equal to Six Million Two Hundred Nineteen Thousand and No/100 Dollars ($6,219,000.00) (the "**Landlord Contribution Amount**"). If Landlord determines that the cost of the Tenant Improvements (excluding the costs related to the Landlord Work) shall exceed the Landlord Contribution Amount, then Tenant shall pay to Landlord an amount equal to such excess within ten (10) days after demand is made therefor by Landlord from time to time.

2.2 Non-Conforming Improvements. Notwithstanding anything to the contrary contained herein, in addition to any amounts owed under Section 2.1 above, Tenant shall additionally be responsible for the cost of any items not identified on the Approved Space Plan, and/or any items which are not a logical extension of and consistent with the Approved Space Plan, and/or any items not identified on the Approved Working Drawings (once the Approved Working Drawings are completed) (collectively, the "**Non-Conforming Tenant Improvements**"). In connection therewith, any costs which arise in connection with any such Non-Conforming Tenant Improvements, together with a landlord supervision fee in an amount equal to three (3%) of the total costs of any such Non-Conforming Tenant Improvements, shall be paid by Tenant to Landlord in cash, in advance, upon Landlord's request. Any such amounts required to be paid by Tenant shall be disbursed by Landlord prior to any Landlord provided funds for the costs of construction of the Tenant Improvements.

SECTION 3

CONTRACTOR; CONTRACTOR'S WARRANTIES AND GUARANTIES

3.1 Contractor. Plant Construction ("**Contractor**") shall construct the Tenant Improvements on a guaranteed maximum price or stipulated sum basis, provided that Landlord shall require Contractor to obtain bids for any subcontracted work from at least three (3) competitively priced subcontractors.

3.2 Cost Proposal. Landlord shall provide Tenant with a cost proposal from the Contractor, which cost proposal shall include, as nearly as possible, all costs to be incurred in connection with the design and construction of the Improvements (the "**Cost Proposal**"). Tenant shall approve and deliver the Cost Proposal to Landlord within three (3) days of the receipt of the same, and upon receipt of the same by Landlord, Landlord shall be released by Tenant to purchase the items set forth in the Cost Proposal and to commence the construction relating to such items. The date by which Tenant must approve and deliver the Cost Proposal to Landlord shall be known hereafter as the "**Cost Proposal Delivery Date**". In the event Tenant does not approve or disapprove the Cost Proposal by the Cost Proposal Delivery Date, Tenant shall be deemed to have approved the same. If Tenant disapproves the Cost Proposal because of a desire to value engineer the Improvements in a manner consistent with, and a logical extension of, the Space Plan and Landlord's Building standards, Landlord agrees to cause one (1) revision to the Cost Proposal in an effort to achieve such cost reductions; provided, however, that the time period commencing on the day immediately succeeding the Cost Proposal Delivery Date and ending on the date that Tenant approves the revised Cost Proposal or the initial Cost Proposal shall be deemed to be a period of Tenant Delay.

3.3 Contractor's Warranties and Guaranties. Landlord hereby assigns to Tenant all warranties and guaranties by the Contractor relating to the Tenant Improvements, and Tenant hereby waives all claims against Landlord relating to, or arising out of the design and construction of, the Tenant Improvements and/or Non-Conforming Tenant Improvements, provided that Landlord has included in all contracts with the Contractor the right for Tenant to be reimbursed for its attorneys' fees in the event Tenant is the prevailing party in any claim against the Contractor for enforcing any warranty or guaranty.

SECTION 4

TENANT'S AGENTS

Tenant hereby protects, defends, indemnifies and holds Landlord harmless for any loss, claims, damages or delays arising from the actions of Tenant's space planner/architect and/or any separate contractors, subcontractors or consultants on the Premises or in the Building.

SECTION 5

COMPLETION OF THE TENANT IMPROVEMENTS;
COMMENCEMENT DATE

5.1 Substantial Completion. For purposes of this Lease, "**Substantial Completion**" of the Tenant Improvements shall occur upon the completion of construction of the Tenant Improvements in the Premises pursuant to the Approved Working Drawings, with the exception of (i) the construction and/or installation of any internal stairwell(s) in the Premises, and (ii) any punch list items and any tenant fixtures, work-stations, built-in furniture, or equipment to be installed by, or on behalf of, Tenant, as such date(s) of Substantial Completion are determined, and certified to, by the Architect. Landlord shall deliver each of Phase One and Phase Two of the Premises to Tenant upon the Substantial Completion of the Tenant Improvements within Phase One or Phase Two, as applicable, of the Premises (the date of each such delivery, a "**Delivery Date**").

5.2 Delay of the Substantial Completion. Except as provided in this Section 5.2, the Lease Commencement Date shall occur as set forth in this Lease and Section 5.1, above. If there shall be a delay or there are delays in the Substantial Completion of the Tenant Improvements or in the occurrence of any of the other conditions precedent to the Lease Commencement Date, as set forth in the Lease, as a direct, indirect, partial, or total result of:

5.2.1 Tenant's failure to timely approve any matter requiring Tenant's approval;

5.2.2 A breach by Tenant of the terms of this Tenant Work Letter or the Lease;

5.2.3 Tenant's request for changes in the Tenant Improvements, the Approved Space Plan, or, once completed, the Approved Working Drawings, or Tenant's request for changes which cause the Approved Working Drawings to not be a logical extension or, or consistent with, the Approved Space Plan;

5.2.4 Any Non-Conforming Improvements;

5.2.5 Tenant's requirement for materials, components, finishes or improvements which are not available in a commercially reasonable time given the anticipated date of Substantial Completion of the Premises, or which are different from, or not included in, Landlord's Building standards (provided, however, that prior to the occurrence of a Tenant Delay under this Section 5.2.5, Landlord shall deliver notice of the same to Tenant, and for purposes of this Section 5.2, the Tenant Delay shall only commence to occur if Tenant has not cured any such requirement causing such Tenant Delay within three (3) days following Tenant's receipt of such notice);

5.2.6 Any failure by Tenant to pay for in cash in advance any costs for Non-Conforming Tenant Improvements;

5.2.7 Changes to the Base Building required by the Tenant Improvements;

5.2.8 Any other acts or omissions of Tenant, or its agents, or employees;

(each, a "**Tenant Delay**") then, notwithstanding anything to the contrary set forth in the Lease or this Tenant Work Letter and, regardless of the actual date of the Substantial Completion of the Tenant Improvements or the applicable Delivery Date, the Substantial Completion of the Tenant Improvements and the applicable Delivery Date shall be deemed to be the date the Substantial Completion of the Tenant Improvements or the applicable Delivery Date, as applicable, would have occurred if no Tenant Delay or Delays, as set forth above, had occurred.

SECTION 6

MISCELLANEOUS

6.1 Tenant's Representative. Tenant has designated Matthew Morgan as its sole representative with respect to the matters set forth in this Tenant Work Letter, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

6.2 Landlord's Representative. Landlord has designated Paul Williams as its sole representatives with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

6.3 Time of the Essence in This Tenant Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord.

6.4 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in this Lease, if an event of default as described in the Lease or this Tenant Work Letter has occurred at any time on or before the Substantial Completion of the Premises, then (i) in addition to all other rights and remedies granted to Landlord pursuant to this Lease, Landlord may cause Contractor to cease the construction of the Premises (in which case, Tenant shall be responsible for any delay in the substantial completion of the Premises caused by such work stoppage), and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of this Lease (in which case, Tenant shall be responsible for any delay in the substantial completion of the Premises caused by such inaction by Landlord).

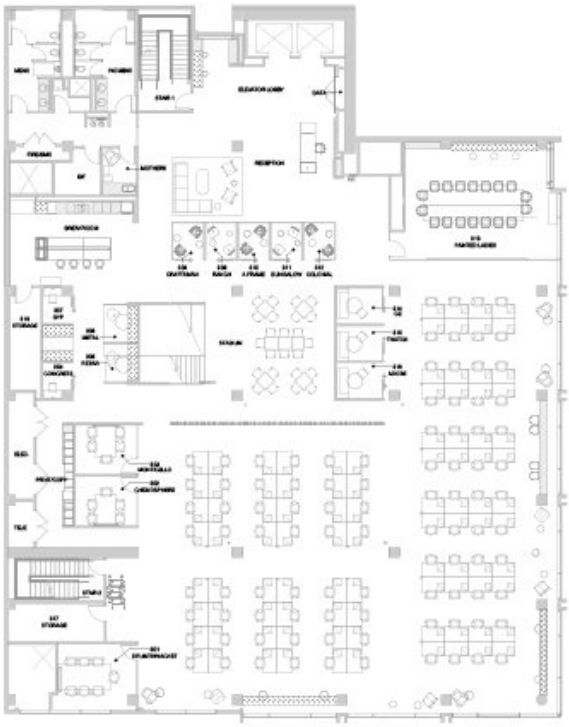
6.5 Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers retained directly by Tenant shall all be union labor in compliance with the then existing master labor agreements.

6.6 Tenant's Entry Into the Premises Prior to Substantial Completion. Provided that Tenant and its agents do not interfere with Contractor's work in the Building and the Premises, Landlord and Contractor shall allow Tenant access to the Premises at least thirty (30) days prior to the anticipated date of Substantial Completion for the purpose of Tenant installing overstandard equipment or fixtures (including Tenant's data and telephone equipment) in the Premises. Landlord shall have no liability to Tenant in the event the actual date of Substantial Completion occurs prior to or after the anticipated date of Substantial Completion. Prior to Tenant's entry into the Premises as permitted by the terms of this Section 6.6, Tenant shall submit a schedule to Landlord and Contractor, for their approval, which schedule shall detail the timing and purpose of Tenant's entry. Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Building or Premises and against injury to any persons caused by Tenant's actions pursuant to this Section 6.6.

SCHEDULE 1 TO EXHIBIT B

APPROVED SPACE PLAN

EXHIBIT B



o+a
452 Tehama Street
San Francisco CA
94103
415.908.1880
www.o-plus-a.com

ISSUE:

Revision Number	Revision Date	Revision Description

NOT FOR CONSTRUCTION

PROJECT:
BLEND LABS

FLOOR

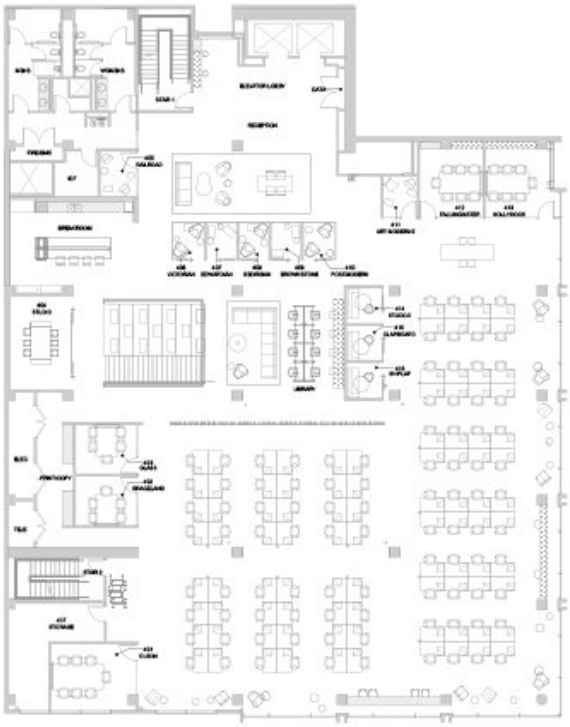
SCALE:
1/8" = 1'-0"

PROJECT NORTH:

DRAWING TITLE:
BLEND LABS

DRAWING NUMBER:
-- 03

THIS IS A 30" x 42" SHEET



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SCALE:
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DRAWING NUMBER:
-- 04

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ISSUE:

Revision Number	Revision Date	Revision Description

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PROJECT:
BLEND LABS

FLOOR

SCALE:
1/8" = 1'-0"

PROJECT NORTH:

DRAWING TITLE:
BLEND LABS

DRAWING NUMBER:
-- 05

SCHEDULE 2 TO EXHIBIT B

LANDLORD WORK

1. Smooth and level concrete floor (+/- 1/4" in 10') ready for installation of carpeting. Concrete floor to be broom clean and free of dirt and debris.
2. Building standard treatment at all perimeter glass and glazing windows and in good working order (if applicable).
3. A minimum of one installed ADA accessible drinking fountain per floor.
4. ADA accessible washrooms finished according to building standard with ceramic floors and walls (or their equivalent), finished ceilings, vanities, cubicles, accessories, fixtures, trim and lighting.
5. Primary HVAC stubbed to each floor. Distribution to accommodate Space Plan shall be part of Tenant Improvements.
6. Building standard electrical panel.
7. Primary connection to the Building's life-safety system. Installation of life-safety devices and connections to the primary connection will be constructed as part of the Tenant Improvements.
8. Existing primary sprinkler loop to remain per code requirements for shell delivery. Branch distribution to accommodate Space Plan will be part of Tenant Improvement.

EXHIBIT C

NOTICE OF LEASE TERM DATES

To: _____
_____
_____
_____

Re: Office Lease dated _____, 20__ between _____, a _____ ("Landlord"), and _____, a _____ ("Tenant") concerning Suite _____ on floor(s) _____ of the office building located at _____, _____, California.

Gentlemen:

In accordance with the Office Lease (the "Lease"), we wish to advise you and/or confirm as follows:

1. The Lease Term shall commence on or has commenced on _____ for a term of _____ ending on _____.

2. Rent commenced to accrue on _____, in the amount of _____.

3. If the Lease Commencement Date is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter, with the exception of the final billing, shall be for the full amount of the monthly installment as provided for in the Lease.

4. Your rent checks should be made payable to _____ at _____, or wired pursuant to the following instructions.

5. The exact number of rentable square feet within the Premises is _____ square feet.

6. Tenant's Share as adjusted based upon the exact number of rentable square feet within the Premises is _____%.

"Landlord":

_____,
a_____

By:_____
Its:_____

Agreed to and Accepted
as of _____, 20___.

"Tenant":

_____,
a_____

By:_____
Its:_____

EXHIBIT D

RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Project. In the event of any conflict between the Rules and Regulations and the other provisions of this Lease, the latter shall control.

1. Upon the termination of this Lease, Tenant shall restore to Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured by, Tenant and in the event of the loss of keys so furnished, Tenant shall pay to Landlord the cost of replacing same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such changes.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises.

3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the San Francisco, California area. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building register. Access to the Building may be refused unless the person seeking access has proper identification or has a previously arranged pass for access to the Building. The Landlord and his agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building or the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. No furniture, freight or equipment of any kind shall be brought into the Building without prior notice to Landlord. All moving activity into or out of the Building shall be scheduled with Landlord and done only at such time and in such manner as Landlord designates. Landlord shall have the right to prescribe the weight, size and position of all safes and other excessively heavy property brought into the Building and also the times and manner of moving the same in and out of the Building. Safes and other excessively heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. Any damage to any part of the Building, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility and expense of Tenant.

5. The requirements of Tenant will be attended to only upon application at the management office for the Project or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

6. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by Tenant on any part of the Building that is visible from outside of the Premises without the prior written consent of the Landlord which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall not disturb, solicit, peddle, or canvass any occupant of the Project and shall cooperate with Landlord and its agents of Landlord to prevent same.

7. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees shall have caused same.

8. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the Premises window systems.

9. Except for vending machines intended for the sole use of Tenant's employees and invitees (including so called "honesty markets"), no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord.

10. Tenant shall not use or keep in or on the Premises, the Building, or the Project any kerosene, gasoline, explosive material, corrosive material, material capable of emitting toxic fumes, or other inflammable or combustible fluid chemical, substitute or material except substances commonly used in office premises in quantities in compliance with all applicable Laws. Upon request by Landlord, Tenant shall provide material safety data sheets for any Hazardous Material used or kept on the Premises.

11. Tenant shall not without the prior written consent of Landlord use any method of heating or air conditioning (such as portable air-conditioners or space heaters) other than that supplied by Landlord.

12. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of unreasonable levels of noise, odors, or vibrations, or unreasonably interfere with other tenants or those having business therein, whether by the use of any musical instrument, radio, phonograph, or in any other way. Tenant shall not throw anything out of doors, windows or skylights or down passageways.

13. Except as expressly provided in Section 5.4 (Tenant's Dogs) of this Lease, Tenant shall not bring into or keep within the Project, the Building or the Premises any animals, birds, aquariums, or, except in areas designated by Landlord, bicycles or other vehicles.

14. The Premises shall not be used for lodging.

15. The Premises shall not be used for manufacturing or for the storage of merchandise except by Members so long as not for off street retail sale and except as such storage may be incidental to the use of the Premises provided for in the Summary.

16. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of drugs and is disruptive to other tenants or a danger to others, or who shall in any manner do any act in violation of any of these Rules and Regulations.

17. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall refrain from attempting to adjust any controls. Tenant shall participate in recycling programs undertaken by Landlord including, but not limited to, general office materials (paper products, glass, plastic, aluminum cans), lamps, E-waste, used batteries and used printer cartridges).

18. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in San Francisco, California without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at reasonable times, but not between the hours of 11 a.m. and 2 p.m. on weekdays. If the Premises is or becomes infested with vermin as a result of the use or any misuse or neglect of the Premises by Tenant, its agents, servants, employees, contractors, visitors or licensees, Tenant shall forthwith, at Tenant's expense, cause the Premises to be exterminated from time to time to the satisfaction of Landlord and shall employ reputable, licensed exterminators.

19. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

20. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord, and no curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises other than Landlord standard drapes or standard blinds as approved in accordance with this Lease. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened without the prior written consent of Landlord. Tenant shall endeavor to keep its window coverings closed during any period of the day when the sun is shining directly on the windows of the Premises. Prior to leaving the Premises for the day, Tenant shall endeavor draw or lower window coverings and extinguish all lights.

21. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills.

22. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

23. Tenant must comply with all applicable "**NO-SMOKING**" and "**NO E-CIGARETTE**" or "**NO VAPING**" or similar ordinances. If Tenant is required under the ordinance to adopt a written smoking policy, a copy of said policy shall be on file in the office of the Building.

24. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed, whether or not Landlord, at its option, elects to provide security protection for the Project or any portion thereof. Tenant further assumes the risk that any safety and security devices, services and programs which Landlord elects, in its sole discretion, to provide may not be effective, or may malfunction or be circumvented by an unauthorized third party, and Tenant shall, in addition to its other insurance obligations under this Lease, obtain its own insurance coverage to the extent Tenant desires protection against losses related to such occurrences. Tenant shall cooperate in any reasonable safety or security program developed by Landlord or required by law.

25. All non-standard office equipment of any mechanical nature shall be placed by Tenant in the Premises in settings reasonably approved by Landlord, to absorb or prevent or reasonably minimize any vibration and noise.

26. Tenant shall not use in any space or in the public halls of the Building, any hand trucks except those equipped with rubber tires and rubber side guards.

27. No auction, liquidation, fire sale, going-out-of-business or bankruptcy sale shall be conducted in the Premises without the prior written consent of Landlord.

28. No tenant shall use or permit the use of any portion of the Premises for living quarters, sleeping apartments or lodging rooms.

29. Tenant shall install and maintain, at Tenant's sole cost and expense, a fire extinguisher as required by Applicable Laws.

30. All vendors, service providers or other agents of Tenant providing services to Tenant in the Premises or the Building shall provide proof of insurance as required in Landlord's sole discretion.

Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable rules and regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building, the Common Areas and the Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises. Notwithstanding the foregoing, Landlord shall give Tenant no less than thirty (30) days' notice prior to implementing any additions, deletions or changes to the Rules and Regulations. In no event shall Landlord implement an amendment to the Rules and Regulations that results in an unreasonable, material increase in Tenant's obligations under this Lease, a unreasonable, material decrease in Tenant's rights under this Lease or a decrease in Landlord's obligations under this Lease. If Tenant violates any rule or regulation, Landlord will notify Tenant in writing of such violation and will allow Tenant a reasonable period of time within which to comply with such rule or regulation.

EXHIBIT E

FORM OF TENANT'S ESTOPPEL CERTIFICATE

The undersigned as Tenant under that certain Office Lease (the "Lease") made and entered into as of _____, 20___ by and between _____ as Landlord, and the undersigned as Tenant, for Premises on the _____ floor(s) of the office building located at _____, _____, California _____, certifies as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in Exhibit A represent the entire agreement between the parties as to the Premises.

2. The undersigned currently occupies the Premises described in the Lease, the Lease Term commenced on _____, and the Lease Term expires on _____, and the undersigned has no option to terminate or cancel the Lease or to purchase all or any part of the Premises, the Building and/or the Project.

3. Base Rent became payable on _____.

4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Exhibit A.

5. Tenant has not transferred, assigned, or sublet any portion of the Premises except Membership Agreements and as follows:

6. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through _____. The current monthly installment of Base Rent is $_____.

7. To Tenant's actual knowledge, all conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder.

8. No rental has been paid more than thirty (30) days in advance of its due date and no security has been deposited with Landlord except as provided in the Lease.

9. As of the date hereof, there are no existing defenses or offsets, or, to the undersigned's actual knowledge, claims or any basis for a claim, that the undersigned has against Landlord.

10. If Tenant is a corporation or partnership, Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

11. There are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state.

12. Other than in compliance with all applicable laws and incidental to the ordinary course of the use of the Premises, the undersigned has not used or stored any hazardous substances in the Premises.

13. To the undersigned's actual knowledge, all tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any tenant improvement work have been paid in full.

The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord or to a prospective mortgagee or prospective purchaser, and acknowledges that said prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of making such loan or acquiring such property.

Executed at _____ on the ____ day of _____, 20_.

"Tenant":

_____

a _____

By: _____
Its:_____

By: _____
Its: _____

EXHIBIT F

FORM OF LETTER OF CREDIT

(Letterhead of a money center bank acceptable to the Landlord)

FAX NO. [( ) ___-____]
SWIFT: [Insert No., if any]

[Insert Bank Name And Address]

DATE OF ISSUE_____

BENEFICIARY:
[Insert [Insert Beneficiary Name And Address]

APPLICANT:
[Insert Applicant Name And Address]

LETTER OF CREDIT NO._____

EXPIRATION DATE:
_____ AT OUR COUNTERS

AMOUNT AVAILABLE:
USD[Insert Dollar Amount]
(U.S. DOLLARS [Insert Dollar Amount])

LADIES AND GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. IN YOUR FAVOR FOR THE ACCOUNT OF [Insert Tenant's Name], A [Insert Entity Type], UP TO THE AGGREGATE AMOUNT OF USD[Insert Dollar Amount] ([Insert Dollar Amount] U.S. DOLLARS) EFFECTIVE IMMEDIATELY AND EXPIRING ON ___(Expiration Date)__ AVAILABLE BY PAYMENT UPON PRESENTATION OF YOUR DRAFT AT SIGHT DRAWN ON [Insert Bank Name] WHEN ACCOMPANIED BY THE FOLLOWING DOCUMENT(S):

1. THE ORIGINAL OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND AMENDMENT(S), IF ANY.

2. BENEFICIARY'S SIGNED STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED REPRESENTATIVE OF [Insert Landlord's Name], A [Insert Entity Type] ("LANDLORD") STATING THE FOLLOWING:

"THE UNDERSIGNED HEREBY CERTIFIES THAT THE LANDLORD, EITHER (A) UNDER THE LEASE (DEFINED BELOW), OR (B) AS A RESULT OF THE TERMINATION OF SUCH LEASE, HAS THE RIGHT TO DRAW DOWN THE AMOUNT OF USD _____IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS THE SAME MAY HAVE BEEN AMENDED (COLLECTIVELY, THE "LEASE"), OR SUCH AMOUNT CONSTITUTES DAMAGES OWING BY THE TENANT TO BENEFICIARY RESULTING FROM THE BREACH OF SUCH LEASE BY THE TENANT THEREUNDER, OR THE TERMINATION OF SUCH LEASE, AND SUCH AMOUNT REMAINS UNPAID AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT WE HAVE RECEIVED A WRITTEN NOTICE OF [Insert Bank Name]'S ELECTION NOT TO EXTEND ITS STANDBY LETTER OF CREDIT NO. _____ AND HAVE NOT RECEIVED A REPLACEMENT LETTER OF CREDIT WITHIN AT LEAST SIXTY (60) DAYS PRIOR TO THE PRESENT EXPIRATION DATE."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. _____ AS THE RESULT OF THE FILING OF A VOLUNTARY PETITION UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE BY THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS THE SAME MAY HAVE BEEN AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. _____ AS THE RESULT OF AN INVOLUNTARY PETITION HAVING BEEN FILED UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE AGAINST THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS THE SAME MAY HAVE BEEN AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. _____ AS THE RESULT OF THE REJECTION, OR DEEMED REJECTION, OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS THE SAME MAY HAVE BEEN AMENDED, UNDER SECTION 365 OF THE U.S. BANKRUPTCY CODE."

SPECIAL CONDITIONS:

PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS MAY BE MADE UNDER THIS STANDBY LETTER OF CREDIT, PROVIDED, HOWEVER, THAT EACH SUCH DEMAND THAT IS PAID BY US SHALL REDUCE THE AMOUNT AVAILABLE UNDER THIS STANDBY LETTER OF CREDIT.

ALL INFORMATION REQUIRED WHETHER INDICATED BY BLANKS, BRACKETS OR OTHERWISE, MUST BE COMPLETED AT THE TIME OF DRAWING. **[Please Provide The Required Forms For Review, And Attach As Schedules To The Letter Of Credit.]**

ALL SIGNATURES MUST BE MANUALLY EXECUTED IN ORIGINALS.

ALL BANKING CHARGES ARE FOR THE APPLICANT'S ACCOUNT.

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A PERIOD OF ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE EXPIRATION DATE WE SEND YOU NOTICE BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD. SAID NOTICE WILL BE SENT TO THE ADDRESS INDICATED ABOVE, UNLESS A CHANGE OF ADDRESS IS OTHERWISE NOTIFIED BY YOU TO US IN WRITING BY RECEIPTED

MAIL OR COURIER. ANY NOTICE TO US WILL BE DEEMED EFFECTIVE ONLY UPON ACTUAL RECEIPT BY US AT OUR DESIGNATED OFFICE. IN NO EVENT, AND WITHOUT FURTHER NOTICE FROM OURSELVES, SHALL THE EXPIRATION DATE BE EXTENDED BEYOND A FINAL EXPIRATION DATE OF ___(120 days from the Lease Expiration Date).

THIS LETTER OF CREDIT MAY BE TRANSFERRED SUCCESSIVELY IN WHOLE OR IN PART ONLY UP TO THE THEN AVAILABLE AMOUNT IN FAVOR OF A NOMINATED TRANSFEREE ("TRANSFEREE"), ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE IS IN COMPLIANCE WITH ALL APPLICABLE U.S. LAWS AND REGULATIONS. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S) IF ANY, MUST BE SURRENDERED TO US TOGETHER WITH OUR TRANSFER FORM (AVAILABLE UPON REQUEST) AND PAYMENT OF OUR CUSTOMARY TRANSFER FEES, WHICH FEES SHALL BE PAYABLE BY APPLICANT (PROVIDED THAT BENEFICIARY MAY, BUT SHALL NOT BE OBLIGATED TO, PAY SUCH FEES TO US ON BEHALF OF APPLICANT, AND SEEK REIMBURSEMENT THEREOF FROM APPLICANT). IN CASE OF ANY TRANSFER UNDER THIS LETTER OF CREDIT, THE DRAFT AND ANY REQUIRED STATEMENT MUST BE EXECUTED BY THE TRANSFEREE AND WHERE THE BENEFICIARY'S NAME APPEARS WITHIN THIS STANDBY LETTER OF CREDIT, THE TRANSFEREE'S NAME IS AUTOMATICALLY SUBSTITUTED THEREFOR.

ALL DRAFTS REQUIRED UNDER THIS STANDBY LETTER OF CREDIT MUST BE MARKED: "DRAWN UNDER [Insert Bank Name] STANDBY LETTER OF CREDIT NO._____."

WE HEREBY AGREE WITH YOU THAT IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AT OR PRIOR TO [Insert Time – (e.g., 11:00 AM)], ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS PRESENTED CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SUCCEEDING BUSINESS DAY. IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AFTER [Insert Time – (e.g., 11:00 AM)], ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS CONFORM WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SECOND SUCCEEDING BUSINESS DAY. AS USED IN THIS LETTER OF CREDIT, "BUSINESS DAY" SHALL MEAN ANY DAY OTHER THAN A SATURDAY, SUNDAY OR A DAY ON WHICH BANKING INSTITUTIONS IN THE STATE OF CALIFORNIA ARE AUTHORIZED OR REQUIRED BY LAW TO CLOSE. IF THE EXPIRATION DATE FOR THIS LETTER OF CREDIT SHALL EVER FALL ON A DAY WHICH IS NOT A BUSINESS DAY THEN SUCH EXPIRATION DATE SHALL AUTOMATICALLY BE EXTENDED TO THE DATE WHICH IS THE NEXT BUSINESS DAY.

PRESENTATION OF A DRAWING UNDER THIS LETTER OF CREDIT MAY BE MADE ON OR PRIOR TO THE THEN CURRENT EXPIRATION DATE HEREOF BY HAND DELIVERY, COURIER SERVICE, OVERNIGHT MAIL, OR FACSIMILE. PRESENTATION BY FACSIMILE TRANSMISSION SHALL BE BY TRANSMISSION OF THE ABOVE REQUIRED SIGHT DRAFT DRAWN ON US TOGETHER WITH THIS LETTER OF CREDIT TO OUR FACSIMILE NUMBER, [Insert Fax Number – (___) ___-____], ATTENTION: [Insert Appropriate Recipient], WITH TELEPHONIC CONFIRMATION OF OUR RECEIPT OF SUCH FACSIMILE TRANSMISSION AT OUR TELEPHONE NUMBER [Insert Telephone Number – (___) ___-____] OR TO SUCH OTHER FACSIMILE OR TELEPHONE NUMBERS, AS TO WHICH YOU HAVE RECEIVED WRITTEN NOTICE FROM US AS BEING THE APPLICABLE SUCH NUMBER. WE AGREE TO NOTIFY YOU IN WRITING, BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE, OF ANY CHANGE IN SUCH DIRECTION. ANY FACSIMILE PRESENTATION PURSUANT TO THIS PARAGRAPH SHALL ALSO STATE THEREON THAT THE ORIGINAL OF SUCH SIGHT DRAFT AND LETTER OF CREDIT ARE BEING REMITTED, FOR DELIVERY ON THE NEXT BUSINESS DAY, TO [Insert Bank Name] AT THE APPLICABLE ADDRESS FOR PRESENTMENT PURSUANT TO THE PARAGRAPH FOLLOWING THIS ONE.

WE HEREBY ENGAGE WITH YOU THAT ALL DOCUMENT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT WILL BE DULY HONORED IF DRAWN

AND PRESENTED FOR PAYMENT AT OUR OFFICE LOCATED AT [Insert Bank Name], [Insert Bank Address], ATTN: [Insert Appropriate Recipient], ON OR BEFORE THE EXPIRATION DATE OF THIS CREDIT, (Expiration Date) .

IN THE EVENT THAT THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT IS LOST, STOLEN, MUTILATED, OR OTHERWISE DESTROYED, WE HEREBY AGREE TO ISSUE A DUPLICATE ORIGINAL HEREOF UPON RECEIPT OF A WRITTEN REQUEST FROM YOU AND A CERTIFICATION BY YOU (PURPORTEDLY SIGNED BY YOUR AUTHORIZED REPRESENTATIVE) OF THE LOSS, THEFT, MUTILATION, OR OTHER DESTRUCTION OF THE ORIGINAL HEREOF.

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS STANDBY LETTER OF CREDIT IS SUBJECT TO THE "INTERNATIONAL STANDBY PRACTICES" (ISP 98) INTERNATIONAL CHAMBER OF COMMERCE (PUBLICATION NO. 590).

Very truly yours,

(Name of Issuing Bank)

By: _____

EXHIBIT G

MARKET RENT ANALYSIS

When determining Market Rent, the following rules and instructions shall be followed.

1. **RELEVANT FACTORS**. The "Market Rent," as used in this Lease, shall be derived from an analysis (as such derivation and analysis are set forth in this **Exhibit G**) of the "Net Equivalent Lease Rates," of the "Comparable Transactions". The "**Market Rent**," as used in this Lease, shall be equal to the annual rent per rentable square foot as would be applicable on the commencement of the Option Term at which tenants, are, pursuant to transactions consummated within the twelve (12) month period immediately preceding the first day of the Option Term (provided that timing adjustments shall be made to reflect any perceived changes which will occur in the Market Rent following the date of any particular Comparable Transaction up to the date of the commencement of the Option Term) leasing non-sublease, non-encumbered, non-equity space comparable in location and quality to the Premises and consisting of single-tenant buildings or anchor tenant space with substantial tenant signage rights, for a comparable term, in an arm's-length transaction, which comparable space is located in the "Comparable Buildings," as that term is defined in Section 4, below (transactions satisfying the foregoing criteria shall be known as the "**Comparable Transactions**"). The terms of the Comparable Transactions shall be calculated as a Net Equivalent Lease Rate pursuant to the terms of this **Exhibit G** and shall take into consideration only the following terms and concessions: (i) the rental rate and escalations for the Comparable Transactions, (ii) the amount of parking rent per parking permit paid in the Comparable Transactions, (iii) operating expense and tax escalation protection granted in such Comparable Transactions such as a base year or expense stop (although for each such Comparable Transaction the base rent shall be adjusted to a triple net base rent using reasonable estimates of operating expenses and taxes as determined by Landlord for each such Comparable Transaction); (iv) tenant improvements or allowances provided or to be provided for such comparable space, taking into account, the value of the existing improvements, if any, in the Premises and/or improvement allowances granted to Tenant, such value of existing improvements to be based upon the age, quality and layout of the improvements and the extent to which the same could be utilized by general office users (as contrasted to the Tenant), (v) rental abatement concessions, if any, being granted such tenants in connection with such comparable space, and (vi) giving consideration to Tenant's signage rights and Common Area usage rights; provided, however, that no consideration shall be given to (1) the fact that Landlord is or is not required to pay a real estate brokerage commission in connection with the applicable term or the fact that the Comparable Transactions do or do not involve the payment of real estate brokerage commissions, and (2) any period of rental abatement, if any, granted to tenants in Comparable Transactions in connection with the design, permitting and construction of tenant improvements in such comparable spaces. The Market Rent shall include adjustment of the stated size of the Premises, based upon the standards of measurement utilized in the Comparable Transactions.

2. **INTENTIONALLY OMITTED**.

3. **TENANT IMPROVEMENT ALLOWANCE**. If, in determining the Market Rent for an Option Term, Tenant is entitled to a tenant improvement or comparable allowance for the improvement of the Option Space (the "Option Term TI Allowance"), Landlord shall offset against the rental rate component of the Market Rent the Option Term TI Allowance (and the Option Term TI Allowance shall not be granted to Tenant). The offset under item (B), above, shall equal the amount of the Option Term TI Allowance.

4. **COMPARABLE BUILDINGS**. For purposes of this Lease, the term "Comparable Buildings" shall mean the Building and those certain other first-class office buildings that are comparable in terms of age, quality of construction and appearance and are located in the North Financial District, South Financial District and/or South of Market District of San Francisco, California. With respect to Comparable Transactions that are not located in the Building, the Market Rent shall be adjusted, if necessary, to take into consideration the size, age, quality of construction, appearance and location of the Comparable Buildings as they the relate to the Building.

5. **METHODOLOGY FOR REVIEWING AND COMPARING THE COMPARABLE TRANSACTIONS**. In order to analyze the Comparable Transactions based on the factors to be considered in calculating Market Rent, and given that the Comparable Transactions may vary in terms of length or term, rental rate, concessions, etc., the following steps shall be taken into consideration to "adjust" the objective data from each of the Comparable Transactions. By taking this approach, a "Net Equivalent Lease Rate" for each of the Comparable Transactions shall be determined using the following steps to adjust the Comparable Transactions, which will allow for an "apples to apples" comparison of the Comparable Transactions.

5.1 The contractual rent payments for each of the Comparable Transactions should be arrayed monthly or annually over the lease term. All Comparable Transactions should be adjusted to simulate a net rent structure, wherein the tenant is responsible for the payment of all property operating expenses and taxes in a manner consistent with this Lease. This results in the estimate of Net Equivalent Rent received by each landlord for each Comparable Transaction being expressed as a periodic net rent payment.

5.2 Any free rent or similar inducements received over time should be deducted in the time period in which they occur, resulting in the net cash flow arrayed over the lease term.

5.3 The resultant net cash flow from the lease should be then discounted (using an annual discount rate equal to 8.0%) to the lease commencement date, resulting in a net present value estimate.

5.4 From the net present value, up front inducements (improvements allowances and other concessions) should be deducted. These items should be deducted directly, on a "dollar for dollar" basis, without discounting since they are typically incurred at lease commencement, while rent (which is discounted) is a future receipt.

5.5 The net present value should then amortized back over the lease term as a level monthly or annual net rent payment using the same annual discount rate of 8.0% used in the present value analysis. This calculation will result in a hypothetical level or even payment over the option period, termed the "Net Equivalent Lease Rate" (or constant equivalent in general financial terms).

6. **USE OF NET EQUIVALENT LEASE RATES FOR COMPARABLE TRANSACTIONS**. The Net Equivalent Lease Rates for the Comparable Transactions shall then be used to reconcile, in a manner usual and customary for a real estate appraisal process, to a conclusion of Market Rent which shall be stated as a Net Equivalent Lease Rate applicable the Option Term.

EXHIBIT H

TENANT'S EXTERIOR SIGNAGE

Exhibit 21.1

SUBSIDIARIES OF BLEND LABS, INC.

Subsidiary	Jurisdiction
Blend Brokerage, Inc. dba Blend Realty	Delaware
Blend Title Insurance Agency, Inc.	Delaware
Blend Insurance Agency, Inc.	Delaware
Blend Operations, Inc.	Delaware
Blend Insights, Inc.	Delaware
Blend Title of Utah, LLC	Utah
Blend Title Company Inc.	California

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated April 15, 2021, in the Registration Statement (Form S-1) and related Prospectus of Blend Labs, Inc. for the registration of shares of its Class A common stock.

/s/ Ernst & Young LLP

San Francisco, California
June 21, 2021

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 and related Prospectus of Blend Labs, Inc. of our report dated March 22, 2021, relating to the carve out financial statements of Title Carve Out (a carve-out of certain operations of Mr. Cooper Group, Inc.) as of December 31, 2020 and 2019, and for the years then ended, and to the reference to our Firm under the caption "Experts" in the Registration Statement.

/s/ WithumSmith+Brown, PC

Irvine, California
June 21, 2021