

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

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AYRO, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

98-0204758
(I.R.S. Employer
Identification No.)

900 E. Old Settlers Boulevard, Suite 100
Round Rock, Texas 78664
(Address of principal executive offices) (Zip Code)

Options Assumed by AYRO, Inc.
Originally Granted Under the
Austin EV, Inc. 2017 Long Term Incentive Plan
(Full title of the Plan)

Rodney C. Keller, Jr.
President and Chief Executive Officer
AYRO, Inc.
900 E. Old Settlers Boulevard, Suite 100
Round Rock, Texas 78664
(Name and address of agent for service)

512-994-4917
(Telephone number, including area code, of agent for service)

Copy to:

Rick A. Werner, Esq.
Matthew L. Fry, Esq.
Haynes and Boone, LLP
30 Rockefeller Plaza, 26th Floor
New York, New York 10112
Telephone: (212) 659-7300
Facsimile: (212) 884-8234

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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	Amount to be registered (1)	Proposed maximum offering price per share (2)	Proposed maximum aggregate offering price (2)	Amount of registration fee
Common Stock, par value \$0.0001	876,106(3)	\$ 2.99	\$ 2,619,557	\$ 285.80
Total	876,106	\$ 2.99	\$ 2,619,557	\$ 285.80

(1) Pursuant to Rule 416 under the Securities Act of 1933, as amended (the "Securities Act"), the number of shares registered hereunder includes such additional number of shares of AYRO, Inc. (the "Company") common stock, par value \$0.0001 per share (the "Common Stock"), as are required to prevent dilution resulting from a stock split, stock dividend or similar transaction.

- (2) Estimated solely for the purpose of calculating the registration fee, pursuant to Rule 457(h) under the Securities Act, based upon the weighted-average exercise price per share of the options assumed by the Company.
 - (3) Represents 876,106 shares of Common Stock subject to issuance upon the exercise of stock options outstanding under the Austin EV, Inc. 2017 Long Term Incentive Plan (the "Plan") and assumed by the Company.
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EXPLANATORY NOTE

On May 28, 2020, a wholly owned subsidiary of AYRO, Inc., a Delaware corporation previously known as DropCar, Inc. (“we,” “us,” “our” or the “Company”) merged with and into AYRO Operating, Inc., a Delaware Corporation previously known as AYRO, Inc. (“AYRO Operating”), with AYRO Operating surviving as a wholly owned subsidiary of the Company (the “Merger”). This Registration Statement on Form S-8 relates to 876,106 shares of Common Stock that may be issued pursuant to the Company’s assumption of the Plan in connection with the Merger.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

In accordance with the instructional Note to Part I of Form S-8 as promulgated by the Commission, the information specified by Part I of Form S-8 has been omitted from this Registration Statement on Form S-8 for offers of Common Stock pursuant to the Plan. The documents containing this information will be sent or given to eligible participants as specified in Rule 428(b)(1) of the Securities Act. Such documents are not being filed by the Company with the Securities and Exchange Commission (the "Commission") either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424 of the Securities Act. Such documents and the documents incorporated by reference in this Registration Statement pursuant to Item 3 of Part II hereof, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents filed by the Company with the Commission are hereby incorporated into this Registration Statement by reference:

- our Annual Report on Form 10-K for the year ended December 31, 2019, filed with the Commission on [March 30, 2020](#), as amended by our Annual Report on Form 10-K/A, filed with the Commission on [April 10, 2020](#);
- the portions of our Definitive Proxy Statement on Schedule 14A filed with the Commission on [November 9, 2020](#) that are deemed "filed" with the Commission;
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed with the Commission on [May 14, 2020](#), our Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, filed with the Commission on [August 14, 2020](#), and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, filed with the Commission on [November 6, 2020](#);
- our Current Reports on Form 8-K filed with the Commission on [February 5, 2020](#), [February 7, 2020](#) (and as amended on [February 14, 2020](#)), [February 24, 2020](#), [March 6, 2020](#), [May 15, 2020](#), [May 19, 2020](#), [May 26, 2020](#), [May 28, 2020](#), [May 29, 2020](#) (and as amended on [June 3, 2020](#)), [June 19, 2020](#), [July 8, 2020](#), [July 23, 2020](#), [September 29, 2020](#), [October 1, 2020](#), [October 16, 2020](#), and [November 23, 2020](#);
- the following sections from our Registration Statement on Form S-4 filed with the Commission on February 14, 2020, as amended on [April 24, 2020](#) (the "Form S-4"): "Management of the Combined Company," "Information About AYRO," and "Information About DropCar—Legal Proceedings;" and
- the description of our common stock contained in the "[Description of DropCar Capital Stock](#)" in the Form S-4.

In addition, all documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, subsequent to the date of this Registration Statement (other than any such documents or portions thereof that are furnished, including under Item 2.02 or Item 7.01 of a Current Report on Form 8-K, unless otherwise indicated therein, including any exhibits included with such Items), prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of filing of such documents.

Any statement contained in this Registration Statement or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained or incorporated by reference herein or in any subsequently filed document which is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Notwithstanding the foregoing, no information is incorporated by reference in this Registration Statement where such information under applicable forms and regulations of the Commission is not deemed to be "filed" under Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, unless the report or filing containing such information indicates that the information therein is to be considered "filed" under the Exchange Act or is to be incorporated by reference in this Registration Statement.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Set forth below is a description of certain provisions of the Company's Amended and Restated Certificate of Incorporation, as amended to date (the "Certificate of Incorporation") and Amended and Restated Bylaws, as amended to date (the "Bylaws"), and the Delaware General Corporation Law (the "DGCL"). This description is intended as a summary only and is qualified in its entirety by reference to the Certificate of Incorporation, the Bylaws and the DGCL.

Limitation on Liability of Directors

Article IX of the Certificate of Incorporation and Article VIII of the Bylaws eliminate the personal liability of directors to the Company or the Company's stockholders for monetary damages for breach of fiduciary duty, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL.

Indemnification and Insurance

In accordance with Section 145 of the DGCL, Article VIII of the Bylaws grants the Company's directors and officers a right to indemnification for all expenses, liabilities and losses relating to civil, criminal, administrative or investigative actions, suits or proceedings to which they are a party (1) by reason of the fact that such person is or was a director or officer of the Company, or (2) by reason of the fact that such person is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

In addition, Article VIII of the Bylaws provides that directors and officers therein described shall be indemnified to the fullest extent permitted by the DGCL, and if the DGCL is subsequently amended to expand further the indemnification or advancements permitted, then the Company shall indemnify such directors and officers to the fullest extent permitted by the DGCL, as so amended.

The Certificate of Incorporation and the Bylaws authorize the Company to purchase insurance for any director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any expense, liability or loss, whether or not the Company would have the power to indemnify such against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Company shall have the power to indemnify him or her against such liability under the Certificate of Incorporation. The Company intends to maintain insurance coverage for its officers and directors as well as insurance coverage to reimburse the Company for potential costs of its corporate indemnification of directors and officers.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit Number	Exhibit Description	Filed with this Report	Incorporated by Reference herein from Form or Schedule	Filing Date
4.1	Amended and Restated Certificate of Incorporation, effective May 28, 2020		Form 8-K (Exhibit 3.2)	05/29/20
4.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation, effective May 28, 2020		Form 8-K (Exhibit 3.3)	05/29/20
4.3	Amended and Restated Bylaws, effective May 28, 2020		Form 8-K (Exhibit 3.4)	05/29/20
5.1	Opinion of Haynes and Boone, LLP	X		
23.1	Consent of Haynes and Boone, LLP (included in the opinion filed as Exhibit 5.1)	X		
23.2	Consent of Friedman LLP, independent registered public accounting firm	X		
23.3	Consent of EisnerAmper LLP, independent registered public accounting firm	X		
23.4	Consent of Plante & Moran, PLLC, independent registered public accounting firm	X		
24.1	Power of Attorney (included on the signature page to this Registration Statement on Form S-8)	X		
99.1	Austin EV, Inc. 2017 Long Term Incentive Plan		Form 10-Q (Exhibit 10.17)	08/14/20
99.2	Form of Executive Option Award Agreement under the Austin EV, Inc. 2017 Long-Term Incentive Plan	X		
99.3	Form of Non-Executive Option Award Agreement under the Austin EV, Inc. 2017 Long-Term Incentive Plan	X		

Item 9. Undertakings

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment 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.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement 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.

(h) Insofar as indemnification for liabilities arising under the Securities Act 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 Commission such indemnification is against public policy as expressed in the Securities 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 Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Austin, State of Texas, on November 30, 2020.

AYRO, INC.

By: /s/ Rodney C. Keller, Jr.
Name: Rodney C. Keller, Jr.
Title: President and Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Rodney C. Keller, Jr. and Curtis Smith, severally, each with full power to act alone and without the others, his true and lawful attorney-in-fact, with full power of substitution, and with the authority to execute in the name of each such person, any and all amendments (including without limitation, post-effective amendments) to this registration statement, and to file such registration statements with the Commission, together with any exhibits thereto and other documents therewith, necessary or advisable to enable the registrant to comply with the Securities Act, and any rules, regulations and requirements of the Commission in respect thereof, which amendments may make such other changes in the registration statement as the aforesaid attorney-in-fact executing the same deems appropriate.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Rodney C. Keller, Jr.</u> Rodney C. Keller, Jr.	President, Chief Executive Officer and Director (Principal Executive Officer)	November 30, 2020
<u>/s/ Curtis Smith</u> Curtis Smith	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	November 30, 2020
<u>/s/ Joshua Silverman</u> Joshua Silverman	Chairman of the Board of Directors	November 30, 2020
<u>/s/ Mark Adams</u> Mark Adams	Director	November 30, 2020
<u>/s/ George Devlin</u> George Devlin	Director	November 30, 2020
<u>/s/ Sebastian Giordano</u> Sebastian Giordano	Director	November 30, 2020
<u>/s/ Zvi Joseph</u> Zvi Joseph	Director	November 30, 2020
<u>/s/ Greg Schiffman</u> Greg Schiffman	Director	November 30, 2020

November 30, 2020

AYRO, Inc.
900 E. Old Settlers Boulevard
Suite 100
Round Rock, TX 78664

Re: Registration Statement on Form S-8 of 876,106 Shares of Common Stock of AYRO, Inc.

Ladies and Gentlemen:

We have acted as counsel to AYRO, Inc., a Delaware corporation (the "Company"), in connection with the filing with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act") of a registration statement on Form S-8 (the "Registration Statement") by the Company relating to the registration of 876,106 shares (the "Shares") of the Company's common stock, \$0.0001 par value per share (the "Common Stock"), subject to issuance upon the exercise of stock options outstanding under the Austin EV, Inc. 2017 Long Term Incentive Plan (the "Plan") and assumed by the Company.

This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Act.

For purposes of the opinions we express below, we have examined originals, or copies certified or otherwise identified, of (i) the Certificate of Incorporation (the "Certificate of Incorporation") and the Bylaws (the "Bylaws") of the Company, each as amended and/or restated as of the date hereof; (ii) certain resolutions of the Board of Directors of the Company and the compensation committee of the Board of Directors of the Company related to the filing of the Registration Statement, the authorization and issuance of the Shares and related matters; (iii) the Registration Statement and all exhibits thereto; (iv) the Plan; (v) the specimen Common Stock certificate; (vi) a certificate executed by an officer of the Company, dated as of the date hereof; and (vii) such other records, documents and instruments as we deemed relevant and necessary for purposes of the opinion stated herein.

As to questions of fact material to the opinions expressed below, we have, without independent verification of their accuracy, relied to the extent we deem reasonably appropriate upon the representations and warranties of the Company contained in such documents, records, certificates, instruments or representations furnished or made available to us by the Company.

In making the foregoing examination, we have assumed (i) the genuineness of all signatures, (ii) the authenticity of all documents submitted to us as originals, (iii) the conformity to original documents of all documents submitted to us as certified or photostatic copies, (iv) that all agreements or instruments we have examined are the valid, binding and enforceable obligations of the parties thereto, and (v) that all factual information on which we have relied was accurate and complete.

We have not considered, and express no opinion herein as to, the laws of any state or jurisdiction other than the Delaware General Corporation Law, as currently in effect (the "DGCL").

We have also assumed that, at the time of the issuance of the Shares: (i) the resolutions of the Board of Directors of the Company referred to above will not have been modified or rescinded, (ii) the Company will receive consideration for the issuance of the Shares required by the Plan and that is at least equal to the par value of the Common Stock, (iii) all requirements of the DGCL, the Certificate of Incorporation and the Bylaws will be complied with when the Shares are issued, and (iv) sufficient shares of Common Stock will be authorized for issuance under the Certificate of Incorporation of the Company that have not otherwise been issued or reserved for issuance.

Haynes and Boone, LLP
Attorneys and Counselors
30 Rockefeller Plaza, 26th Floor
New York, New York 10112
Phone: 212.659.7300
Fax: 212.918.8989



Based on the foregoing, and subject to the qualifications, assumptions and limitations stated herein, we are of the opinion that upon the issuance of the Shares in accordance with the terms of the Plan and the instruments executed pursuant to such Plan, the Shares will be validly issued, fully paid and non-assessable.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to all references to us in the Registration Statement. In giving this consent, we are not admitting that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Haynes and Boone, LLP

HAYNES AND BOONE, LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated March 30, 2020, which includes an explanatory paragraph as to DropCar, Inc.'s ability to continue as going concern, with respect to our audit of the consolidated financial statements of DropCar, Inc. as of and for the year ended December 31, 2019, appearing in the Annual Report on Form 10-K of AYRO, Inc. (f/k/a DropCar, Inc.) for the year ended December 31, 2019.

/s/ Friedman LLP

East Hanover, New Jersey
November 30, 2020

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement of AYRO, Inc. on Form S-8 to be filed on or about November 30, 2020 of our report dated April 1, 2019 (except for the matter described in Note 4, as to which the date is March 30, 2020), on our audit of the consolidated financial statements of DropCar, Inc. as of December 31, 2018 and for the year then ended, which report was included in the Annual Report on Form 10-K of DropCar, Inc. Our report includes an explanatory paragraph about the existence of substantial doubt concerning the Company's ability to continue as a going concern.

/s/ EISNERAMPER LLP

EISNERAMPER LLP

New York, New York

November 30, 2020

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the registration statements on Form S-8 (File No. 333-) of AYRO, Inc. (formerly Austin EV, Inc.) of our report dated March 11, 2020, with respect to our audits of the financial statements of AYRO, Inc. as of December 31, 2019 and 2018 and for the years then ended, which report is incorporated by reference, which is part of this Form S-8.

Plante & Moran, PLLC
Denver, Colorado
November 30, 2020

AYRO, INC.
2017 LONG TERM INCENTIVE PLAN

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (this “*Agreement*”) is made and entered into as of the Date of Grant set forth in the Notice of Grant of Stock Option (“*Notice of Grant*”) by and between AYRO, Inc., a Delaware corporation f/k/a Austin EV, Inc. (the “*Company*”), and you (the “*Optionee*”), with your acceptance of all the terms and conditions of this Agreement and the Plan evidenced by your execution of the Notice of Grant:

WHEREAS, the Company has adopted the AYRO, Inc. 2017 Long Term Incentive Plan as it may be amended from time to time (the “*Plan*”), under which the Company is authorized to grant stock options to certain employees and service providers of the Company;

WHEREAS, the Company, as an incentive for you to enter into and/or continue in your service to the Company and to materially contribute to the success of the Company, agrees to grant you an option to acquire an interest in the Company through the purchase of shares of stock of the Company;

WHEREAS, a copy of the Plan has been furnished to you and shall be deemed a part of this Agreement as if fully set forth herein and terms capitalized but not defined herein shall have the meaning set forth in the Plan; and

WHEREAS, you desire to accept the option granted pursuant to the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other valuable consideration hereinafter set forth, the parties agree as follows:

1. **The Grant.** Subject to the conditions set forth below, the Company hereby grants to you, effective as of the Date of Grant set forth in the Notice of Grant, as a matter of separate inducement and not in lieu of any salary or other compensation for your services for the Company, the right and option to purchase (the “*Option*”), in accordance with the terms and conditions set forth herein and in the Plan, an aggregate of the number of shares of Stock set forth in the Notice of Grant (the “*Option Shares*”), at the Exercise Price set forth in the Notice of Grant.

2. **Exercise.**

(a) Option Shares shall be deemed “*Nonvested Shares*” unless and until they have become “*Vested Shares*.” The Option shall in all events terminate at the close of business on the tenth (10th) anniversary of the date of this Agreement (the “*Expiration Date*”). Subject to other terms and conditions set forth herein, these Options will be vested and will be Vested Shares in ratable quarterly installments over a period of three (3) years from the date of grant, subject to your continued employment with the Company as of each applicable vesting date. Notwithstanding the foregoing, however, if within the three-month period preceding or the twelve-month period following a Change in Control, as such term is defined in the Plan, your services are terminated by the Company or an affiliate without Cause or by you for Good Reason (if such term is set forth in your employment agreement with the Company), the unvested portion of the Option shall become immediately vested as of the effective date of the termination of your services.

(b) Subject to the relevant provisions and limitations contained herein and in the Plan, you may exercise the Option to purchase all or a portion of the applicable number of Vested Shares at any time prior to the termination of the Option pursuant to this Agreement. In no event shall you be entitled to exercise the Option for any Nonvested Shares or for a fraction of a Vested Share.

(c) Any exercise by you of the Option shall be in writing addressed to the Secretary of the Company at its principal place of business pursuant to a ***Notice of Stock Option Exercise*** executed by you (or other person entitled to exercise the Option as provided hereunder) and must include payment of the aggregate purchase price for shares purchased pursuant to the exercise.

(d) Payment of the Exercise Price shall be made in cash, by certified or official bank check or by wire transfer of immediately available funds. However, solely with the approval of the Committee, in lieu of cash, payment of the Exercise Price may be made (i) by delivery to the Company of a number of shares of Stock having a Fair Market Value as of the date of exercise equal to the Exercise Price, (ii) by the delivery of a note, or (iii) by net issue exercise, pursuant to which the Company will issue to you a number of shares of Stock as to which the Option is exercised, less a number of shares with a Fair Market Value as of the date of exercise equal to the Exercise Price.

(e) If you are on leave of absence for any reason, the Company may, in its sole discretion, determine that you will be considered to still be in the employ of or providing services for the Company, provided that rights to the Option will be limited to the extent to which those rights were earned or vested when the leave of absence began.

(f) The terms and provisions of the employment agreement, if any, between you and the Company or any Subsidiary (the ***“Employment Agreement”***) that relate to or affect the Option are incorporated herein by reference. Notwithstanding the foregoing provisions of this Section 2 or Section 3, in the event of any conflict or inconsistency between the terms and conditions of this Section 2 or Section 3 and the terms and conditions of an Employment Agreement, the terms and conditions of the Employment Agreement shall be controlling.

3. Effect of Termination of Service on Exercisability. Except as provided in Sections 6 and 7 or an Employment Agreement, this Option may be exercised only while you continue to perform services for the Company or any Subsidiary and will terminate and cease to be exercisable upon termination of your service, except as follows:

(a) *Termination on Account of Disability*. If your employment or service with the Company or any Subsidiary terminates by reason of disability (within the meaning of section 22(e)(3) of the Code), this Option may be exercised by you (or your estate or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of your death) at any time during the period ending on the earlier to occur of (i) the date that is one year following such termination or (ii) the Expiration Date, but only to the extent this Option was exercisable for Vested Shares as of the date your service so terminates.

(b) *Termination on Account of Death.* If you cease to be employed or to perform services for the Company or any Subsidiary due to your death, your estate, or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of your death, may exercise this Option at any time during the period ending on the earlier to occur of (i) the date that is one year following your death or (ii) the Expiration Date, but only to the extent this Option was exercisable for Vested Shares as of the date of your death.

(c) *Termination Not For Cause.* If your employment or service with the Company or any Subsidiary terminates for any reason other than as described in Sections 3(a) or (b), unless such employment or service is terminated for Cause (as defined below), this Option may be exercised by you at any time during the period ending on the earlier to occur of (i) the date that is three months following your termination or (ii) the Expiration Date, or by your estate (or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of your death) during a period of one year following your death if you die during such three-month period, but in each such case only to the extent this Option was exercisable for Vested Shares as of the date of your termination. For purposes of this Agreement, “*Cause*” means (i) “cause” as defined in your Employment Agreement or (ii) in the absence of such an agreement or such a definition in such agreement, “Cause” will mean a determination by the Committee that you: (A) have engaged in personal dishonesty, willful violation of any law, rule, or regulation (other than minor traffic violations or similar offenses), or breach of fiduciary duty involving personal profit; (B) have failed to satisfactorily perform your duties and responsibilities for the Company or any Affiliate; (C) have been convicted of, or plead *nolo contendere* to, any felony or a crime involving moral turpitude; (D) have engaged in negligence or willful misconduct in the performance of your duties, including but not limited to willfully refusing without proper legal reason to perform your duties and responsibilities; (E) have materially breached any corporate policy or code of conduct established by the Company or any Subsidiary as such policies or codes may be adopted from time to time; (F) have violated the terms of any confidentiality, nondisclosure, intellectual property, nonsolicitation, noncompetition, proprietary information or inventions agreement, or any other agreement between you and the Company or any Subsidiary related to your service with the Company or any Subsidiary; or (G) have engaged in conduct that is likely to have a deleterious affect on the Company or any Subsidiary or their legitimate business interests, including, but not limited to, their goodwill and public image.

4. Transferability. The Option, and any rights or interests therein will be transferable by you only to the extent approved by the Committee in conformance with Section 10(b) of the Plan.

5. Compliance with Securities Law. Notwithstanding any provision of this Agreement to the contrary, the grant of the Option and the issuance of Stock will be subject to compliance with all applicable requirements of federal, state, and foreign securities laws and with the requirements of any stock exchange or market system upon which the Stock may then be listed. The Option may not be exercised if the issuance of shares of Stock upon exercise would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, the Option may not be exercised unless (1) a registration statement under the Securities Act of 1933, as amended (the “*Act*”), is at the time of exercise of the Option in effect with respect to the shares issuable upon exercise of the Option or (2) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Act. YOU ARE CAUTIONED THAT THE OPTION MAY NOT BE EXERCISED UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, YOU MAY NOT BE ABLE TO EXERCISE THE OPTION WHEN DESIRED EVEN THOUGH THE OPTION IS VESTED. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company’s legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Option will relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority has not been obtained. As a condition to the exercise of the Option, the Company may require you to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

6. Extension if Exercise Prevented by Law. Notwithstanding Section 3, if the exercise of the Option within the applicable time periods set forth in Section 3 is prevented by the provisions of Section 5, the Option will remain exercisable until 30 days after the date you are notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date. The Company makes no representation as to the tax consequences of any such delayed exercise. You should consult with your own tax advisor as to the tax consequences of any such delayed exercise.

7. Extension if You are Subject to Section 16(b). Notwithstanding Section 3, if a sale within the applicable time periods set forth in Section 3 of shares acquired upon the exercise of the Option would subject you to suit under Section 16(b) of the Securities Exchange Act of 1934, as amended, the Option will remain exercisable until the earliest to occur of (1) the 10th day following the date on which a sale of such shares by you would no longer be subject to such suit, (2) the 190th day after your termination of service with the Company and any Subsidiary, or (3) the Expiration Date. The Company makes no representation as to the tax consequences of any such delayed exercise. You should consult with your own tax advisor as to the tax consequences of any such delayed exercise.

8. Withholding Taxes. The Committee may, in its discretion, require you to pay to the Company at the time of the exercise of an Option or thereafter, the amount that the Committee deems necessary to satisfy the Company’s current or future obligation to withhold federal, state or local income or other taxes that you incur by exercising an Option. In connection with such an event requiring tax withholding, you may (a) direct the Company to withhold from the shares of Stock to be issued to you the number of shares necessary to satisfy the Company’s obligation to withhold taxes, that determination to be based on the shares’ Fair Market Value as of the date of exercise; (b) deliver to the Company sufficient shares of Stock (based upon the Fair Market Value as of the date of such delivery) to satisfy the Company’s tax withholding obligation; or (c) deliver sufficient cash to the Company to satisfy its tax withholding obligations. If you elect to use a Stock withholding feature you must make the election at the time and in the manner that the Committee prescribes. The Committee may, at its sole option, deny your request to satisfy withholding obligations through shares of Stock instead of cash. In the event the Committee subsequently determines that the aggregate Fair Market Value (as determined above) of any shares of Stock withheld or delivered as payment of any tax withholding obligation is insufficient to discharge that tax withholding obligation, then you shall pay to the Company, immediately upon the Committee’s request, the amount of that deficiency in the form of payment requested by the Committee.

9. Status of Stock. With respect to the status of the Stock, at the time of execution of this Agreement you understand and agree to all of the following:

(a) You understand that at the time of the execution of this Agreement the shares of Stock to be issued upon exercise of this Option have not been registered under the Act or any state securities law and that the Company does not currently intend to effect any such registration. In the event exemption from registration under the Act is available upon an exercise of this Option, you (or such other person permitted to exercise this Option if applicable), if requested by the Company to do so, will execute and deliver to the Company in writing an agreement containing such provisions as the Company may require to ensure compliance with applicable securities laws.

(b) You agree that the shares of Stock that you may acquire by exercising this Option will be acquired for investment without a view to distribution, within the meaning of the Act, and will not be sold, transferred, assigned, pledged, or hypothecated in the absence of an effective registration statement for the shares under the Act and applicable state securities laws or an applicable exemption from the registration requirements of the Act and any applicable state securities laws. You also agree that the shares of Stock that you may acquire by exercising this Option will not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable securities laws, whether federal or state.

(c) You agree that (1) the Company may refuse to register the transfer of the shares of Stock purchased under this Option on the stock transfer records of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable securities law and (2) the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the shares of Stock purchased under this Option.

10. Adjustments. The terms of the Option shall be subject to adjustment from time to time, in accordance with the following provisions:

(a) If at any time, or from time to time, the Company shall subdivide as a whole (by reclassification, by a Stock split, by the issuance of a distribution on Stock payable in Stock or otherwise) the number of shares of Stock then outstanding into a greater number of shares of Stock, then (i) the number of shares of Stock (or other kind of securities) that may be acquired under the Option shall be increased proportionately and (ii) the Exercise Price for each share of Stock (or other kind of shares or securities) subject to the then outstanding Option shall be reduced proportionately, without changing the aggregate purchase price or value as to which the outstanding Option remains exercisable or subject to restrictions.

(b) If at any time, or from time to time, the Company shall consolidate as a whole (by reclassification, reverse Stock split or otherwise) the number of shares of Stock then outstanding into a lesser number of shares of Stock, (i) the number of shares of Stock (or other kind of shares or securities) that may be acquired under the Option shall be decreased proportionately and (ii) the Exercise Price for each share of Stock (or other kind of shares or securities) subject to the then outstanding Option shall be increased proportionately, without changing the aggregate purchase price or value as to which the outstanding Option remains exercisable or subject to restrictions.

(c) Whenever the number of shares of Stock subject to the Option and the price for each share of Stock subject to the Option are required to be adjusted as provided in this Section 10, the Committee shall promptly prepare a notice setting forth, in reasonable detail, the event requiring adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the change in price and the number of shares of Stock, other securities, cash, or property purchasable by you pursuant to the exercise of the Option or subject to the Option after giving effect to the adjustments. The Committee shall promptly give you such a notice.

(d) Adjustments under this Section 10 shall be made by the Committee, and its determination as to what adjustments shall be made and the extent thereof shall be final, binding, and conclusive. No fractional interest shall be issued under the Plan on account of any such adjustments.

11. Right of First Refusal. This Option and any Stock that may be acquired pursuant hereto is subject to the Right of First Refusal and Purchase Option provisions of Sections 10(c) and 10(d) of the Plan.

12. Lock-Up Period. You hereby agrees that, if so requested by the Company or any representative of the underwriters (the "*Managing Underwriter*") in connection with any registration of the offering of any securities of the Company under the Act, you will not sell or otherwise transfer any Option Shares or other securities of the Company during the 180-day period (or such other period as may be requested in writing by the Managing Underwriter and agreed to in writing by the Company) (the "*Market Standoff Period*") following the effective date of a registration statement of the Company filed under the Act. Such restriction will apply only to the first registration statement of the Company to become effective under the Act that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Act. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period.

13. Shareholder Agreement. The Committee may, in its sole discretion, condition the delivery of Stock pursuant to the exercise of this Option upon your entering into a shareholder agreement in such form as approved from time to time by the Board.

14. Legends. The Company may at any time place legends, referencing any restrictions imposed on the shares pursuant to Sections 9, 11 or 12 of this Agreement, and any applicable federal, state or foreign securities law restrictions, on all certificates representing shares of Stock subject to the provisions of this Agreement.

15. Notice of Sales Upon Disqualifying Disposition of ISO. If the Option is designated as an Incentive Stock Option in the Notice of Grant, you must comply with the provisions of this Section. You must promptly notify the Chief Executive Officer of the Company if you dispose of any of the shares acquired pursuant to the Option within one year after the date you exercise all or part of the Option or within two years after the Date of Grant. Until such time as you dispose of such shares in a manner consistent with the provisions of this Agreement, unless otherwise expressly authorized by the Company, you must hold all shares acquired pursuant to the Option in your name (and not in the name of any nominee) for the one-year period immediately after the exercise of the Option and the two-year period immediately after the Date of Grant. At any time during the one-year or two-year periods set forth above, the Company may place a legend on any certificate representing shares acquired pursuant to the Option requesting the transfer agent for the Company's stock to notify the Company of any such transfers. Your obligation to notify the Company of any such transfer will continue notwithstanding that a legend has been placed on the certificate pursuant to the preceding sentence.

16. Right to Terminate Services. Nothing contained in this Agreement shall confer upon you the right to continue in the employ of or performing services for the Company or any Subsidiary, or interfere in any way with the rights of the Company or any Subsidiary to terminate your employment or service relationship at any time.

17. Furnish Information. You agree to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

18. Remedies. The Company shall be entitled to recover from you reasonable attorneys' fees incurred in connection with the enforcement of the terms and provisions of this Agreement whether by an action to enforce specific performance or for damages for its breach or otherwise.

19. No Liability for Good Faith Determinations. The Company and the members of the Committee and the Board shall not be liable for any act, omission or determination taken or made in good faith with respect to this Agreement or the Option granted hereunder.

20. Execution of Receipts and Releases. Any payment of cash or any issuance or transfer of shares of Stock or other property to you, or to your legal representative, heir, legatee or distributee, in accordance with the provisions hereof, shall, to the extent thereof, be in full satisfaction of all claims of such persons hereunder. The Company may require you or your legal representative, heir, legatee or distributee, as a condition precedent to such payment or issuance, to execute a release and receipt therefore in such form as it shall determine.

21. No Guarantee of Interests. The Board and the Company do not guarantee the Stock of the Company from loss or depreciation.

22. Company Records. Records of the Company regarding your service and other matters shall be conclusive for all purposes hereunder, unless determined by the Company to be incorrect.

23. Notice. All notices required or permitted under this Agreement must be in writing and personally delivered or sent by mail and shall be deemed to be delivered on the date on which it is actually received by the person to whom it is properly addressed or if earlier the date sent via certified mail.

24. Waiver of Notice. Any person entitled to notice hereunder may, by written form, waive such notice.

25. Information Confidential. As partial consideration for the granting of this Option, you agree that you will keep confidential all information and knowledge that you have relating to the manner and amount of your participation in the Plan; provided, however, that such information may be disclosed as required by law and may be given in confidence to your spouse, tax and financial advisors. In the event any breach of this promise comes to the attention of the Company, it shall take into consideration that breach in determining whether to recommend the grant of any future similar award to you, as a factor weighing against the advisability of granting any such future award to you.

26. Successors. This Agreement shall be binding upon you, your legal representatives, heirs, legatees and distributees, and upon the Company, its successors and assigns.

27. Severability. If any provision of this Agreement is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable and this Agreement shall be construed and enforced as if the illegal or invalid provision had never been included herein.

28. Company Action. Any action required of the Company shall be by resolution of the Board or by a person authorized to act by resolution of the Board.

29. Headings. The titles and headings of paragraphs are included for convenience of reference only and are not to be considered in construction of the provisions hereof.

30. Governing Law. All questions arising with respect to the provisions of this Agreement shall be determined by application of the laws of Texas, without giving any effect to any conflict of law provisions thereof, except to the extent Texas law is preempted by federal law. The obligation of the Company to sell and deliver Stock hereunder is subject to applicable laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock.

31. Word Usage. Words used in the masculine shall apply to the feminine where applicable, and wherever the context of this Agreement dictates, the plural shall be read as the singular and the singular as the plural.

32. No Assignment. You may not assign this Agreement or any of your rights under this Agreement without the Company's prior written consent, and any purported or attempted assignment without such prior written consent shall be void.

33. Acknowledgements Regarding Section 409A and Section 422 of the Code. You understand that if the purchase price of the Stock under this Option is less than the Fair Market Value of such Stock on the date of grant of this Option, then you may incur adverse tax consequences under section 409A and section 422 of the Code. You acknowledge and agree that (a) you are not relying upon any determination by the Company, its affiliates, or any of their respective employees, directors, officers, attorneys or agents (collectively, the "**Company Parties**") of the Fair Market Value of the Stock on the Date of Grant, (b) you are not relying upon any written or oral statement or representation of the Company Parties regarding the tax effects associated with your execution of this Agreement and your receipt, holding and exercise of this Option, and (c) in deciding to enter into this Agreement, you are relying on your own judgment and the judgment of the professionals of your choice with whom you have consulted. You hereby release, acquit and forever discharge the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with your execution of this Agreement and your receipt, holding and exercise of this Option.

34. Miscellaneous.

(a) This Agreement is subject to all the terms, conditions, limitations and restrictions contained in the Plan. In the event of any conflict or inconsistency between the terms hereof and the terms of the Plan, the terms of the Plan shall be controlling.

(b) The Option may be amended by the Board or by the Committee at any time (i) if the Board or the Committee determines, in its sole discretion, that amendment is necessary or advisable in light of any addition to or change in any federal or state, tax or securities law or other law or regulation, which change occurs after the Date of Grant and by its terms applies to the Option; or (ii) other than in the circumstances described in clause (i) or provided in the Plan, with your consent.

(c) If this Option is intended to be an Incentive Stock Option, then in the event the Option Shares (and all other options designed pursuant to section 422 of the Code granted to you by the Company or any parent of the Company or Subsidiary) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Option Share as of the Date of Grant) that exceeds \$100,000, the Option Shares in excess of \$100,000 shall be treated as subject to a Nonqualified Stock Option.

[End Option Agreement]

AYRO, INC.
2017 LONG TERM INCENTIVE PLAN

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (this “*Agreement*”) is made and entered into as of the Date of Grant set forth in the Notice of Grant of Stock Option (“*Notice of Grant*”) by and between AYRO, Inc., a Texas corporation (the “*Company*”), and you (the “*Optionee*”), with your acceptance of all the terms and conditions of this Agreement and the Plan evidenced by your execution of the Notice of Grant:

WHEREAS, the Company has adopted the AYRO, Inc. 2017 Long Term Incentive Plan as it may be amended from time to time (the “*Plan*”), under which the Company is authorized to grant stock options to certain employees and service providers of the Company;

WHEREAS, the Company, as an incentive for you to enter into and/or continue in your service to the Company and to materially contribute to the success of the Company, agrees to grant you an option to acquire an interest in the Company through the purchase of shares of stock of the Company;

WHEREAS, a copy of the Plan has been furnished to you and shall be deemed a part of this Agreement as if fully set forth herein and terms capitalized but not defined herein shall have the meaning set forth in the Plan; and

WHEREAS, you desire to accept the option granted pursuant to the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other valuable consideration hereinafter set forth, the parties agree as follows:

1. The Grant. Subject to the conditions set forth below, the Company hereby grants to you, effective as of the Date of Grant set forth in the Notice of Grant, as a matter of separate inducement and not in lieu of any salary or other compensation for your services for the Company, the right and option to purchase (the “*Option*”), in accordance with the terms and conditions set forth herein and in the Plan, an aggregate of the number of shares of Stock set forth in the Notice of Grant (the “*Option Shares*”), at the Exercise Price set forth in the Notice of Grant.

2. Exercise.

(a) Option Shares shall be deemed “*Nonvested Shares*” unless and until they have become “*Vested Shares*.” The Option shall in all events terminate at the close of business on the tenth (10th) anniversary of the date of this Agreement (the “*Expiration Date*”). Subject to other terms and conditions set forth herein, these Options will be vested and will be Vested Shares based on the following calculation, subject to your continued employment with the Company as of each applicable vesting date. One-third (1/3) of the Option Shares will vest on the first anniversary of the Date of Grant. For the remaining two years, One-twelfth (1/12) of the Option Shares will vest quarterly starting one year and three months from the Date of Grant, resulting with the entire Option Shares being Vested Shares upon the three-year anniversary of the Date of Grant.

(b) Subject to the relevant provisions and limitations contained herein and in the Plan, you may exercise the Option to purchase all or a portion of the applicable number of Vested Shares at any time prior to the termination of the Option pursuant to this Agreement. In no event shall you be entitled to exercise the Option for any Nonvested Shares or for a fraction of a Vested Share.

(c) Any exercise by you of the Option shall be in writing addressed to the Secretary of the Company at its principal place of business pursuant to a ***Notice of Stock Option Exercise*** executed by you (or other person entitled to exercise the Option as provided hereunder) and must include payment of the aggregate purchase price for shares purchased pursuant to the exercise.

(d) Payment of the Exercise Price shall be made in cash, by certified or official bank check or by wire transfer of immediately available funds. However, solely with the approval of the Committee, in lieu of cash, payment of the Exercise Price may be made (i) by delivery to the Company of a number of shares of Stock having a Fair Market Value as of the date of exercise equal to the Exercise Price, (ii) by the delivery of a note, or (iii) by net issue exercise, pursuant to which the Company will issue to you a number of shares of Stock as to which the Option is exercised, less a number of shares with a Fair Market Value as of the date of exercise equal to the Exercise Price.

(e) If you are on leave of absence for any reason, the Company may, in its sole discretion, determine that you will be considered to still be in the employ of or providing services for the Company, provided that rights to the Option will be limited to the extent to which those rights were earned or vested when the leave of absence began.

(f) The terms and provisions of the employment agreement, if any, between you and the Company or any Subsidiary (the ***“Employment Agreement”***) that relate to or affect the Option are incorporated herein by reference. Notwithstanding the foregoing provisions of this Section 2 or Section 3, in the event of any conflict or inconsistency between the terms and conditions of this Section 2 or Section 3 and the terms and conditions of an Employment Agreement, the terms and conditions of the Employment Agreement shall be controlling.

3. Effect of Termination of Service on Exercisability. Except as provided in Sections 6 and 7 or an Employment Agreement, this Option may be exercised only while you continue to perform services for the Company or any Subsidiary and will terminate and cease to be exercisable upon termination of your service, except as follows:

(a) *Termination on Account of Disability.* If your employment or service with the Company or any Subsidiary terminates by reason of disability (within the meaning of section 22(e)(3) of the Code), this Option may be exercised by you (or your estate or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of your death) at any time during the period ending on the earlier to occur of (i) the date that is one year following such termination or (ii) the Expiration Date, but only to the extent this Option was exercisable for Vested Shares as of the date your service so terminates.

(b) *Termination on Account of Death.* If you cease to be employed or to perform services for the Company or any Subsidiary due to your death, your estate, or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of your death, may exercise this Option at any time during the period ending on the earlier to occur of (i) the date that is one year following your death or (ii) the Expiration Date, but only to the extent this Option was exercisable for Vested Shares as of the date of your death.

(c) *Termination Not For Cause.* If your employment or service with the Company or any Subsidiary terminates for any reason other than as described in Sections 3(a) or (b), unless such employment or service is terminated for Cause (as defined below), this Option may be exercised by you at any time during the period ending on the earlier to occur of (i) the date that is three months following your termination or (ii) the Expiration Date, or by your estate (or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of your death) during a period of one year following your death if you die during such three-month period, but in each such case only to the extent this Option was exercisable for Vested Shares as of the date of your termination. For purposes of this Agreement, “*Cause*” means (i) “cause” as defined in your Employment Agreement or (ii) in the absence of such an agreement or such a definition in such agreement, “Cause” will mean a determination by the Committee that you: (A) have engaged in personal dishonesty, willful violation of any law, rule, or regulation (other than minor traffic violations or similar offenses), or breach of fiduciary duty involving personal profit; (B) have failed to satisfactorily perform your duties and responsibilities for the Company or any Affiliate; (C) have been convicted of, or plead *nolo contendere* to, any felony or a crime involving moral turpitude; (D) have engaged in negligence or willful misconduct in the performance of your duties, including but not limited to willfully refusing without proper legal reason to perform your duties and responsibilities; (E) have materially breached any corporate policy or code of conduct established by the Company or any Subsidiary as such policies or codes may be adopted from time to time; (F) have violated the terms of any confidentiality, nondisclosure, intellectual property, nonsolicitation, noncompetition, proprietary information or inventions agreement, or any other agreement between you and the Company or any Subsidiary related to your service with the Company or any Subsidiary; or (G) have engaged in conduct that is likely to have a deleterious affect on the Company or any Subsidiary or their legitimate business interests, including, but not limited to, their goodwill and public image.

4. Transferability. The Option, and any rights or interests therein will be transferable by you only to the extent approved by the Committee in conformance with Section 10(b) of the Plan.

5. Compliance with Securities Law. Notwithstanding any provision of this Agreement to the contrary, the grant of the Option and the issuance of Stock will be subject to compliance with all applicable requirements of federal, state, and foreign securities laws and with the requirements of any stock exchange or market system upon which the Stock may then be listed. The Option may not be exercised if the issuance of shares of Stock upon exercise would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, the Option may not be exercised unless (1) a registration statement under the Securities Act of 1933, as amended (the “*Act*”), is at the time of exercise of the Option in effect with respect to the shares issuable upon exercise of the Option or (2) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Act. YOU ARE CAUTIONED THAT THE OPTION MAY NOT BE EXERCISED UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, YOU MAY NOT BE ABLE TO EXERCISE THE OPTION WHEN DESIRED EVEN THOUGH THE OPTION IS VESTED. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company’s legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Option will relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority has not been obtained. As a condition to the exercise of the Option, the Company may require you to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

6. Extension if Exercise Prevented by Law. Notwithstanding Section 3, if the exercise of the Option within the applicable time periods set forth in Section 3 is prevented by the provisions of Section 5, the Option will remain exercisable until 30 days after the date you are notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date. The Company makes no representation as to the tax consequences of any such delayed exercise. You should consult with your own tax advisor as to the tax consequences of any such delayed exercise.

7. Extension if You are Subject to Section 16(b). Notwithstanding Section 3, if a sale within the applicable time periods set forth in Section 3 of shares acquired upon the exercise of the Option would subject you to suit under Section 16(b) of the Securities Exchange Act of 1934, as amended, the Option will remain exercisable until the earliest to occur of (1) the 10th day following the date on which a sale of such shares by you would no longer be subject to such suit, (2) the 190th day after your termination of service with the Company and any Subsidiary, or (3) the Expiration Date. The Company makes no representation as to the tax consequences of any such delayed exercise. You should consult with your own tax advisor as to the tax consequences of any such delayed exercise.

8. Withholding Taxes. The Committee may, in its discretion, require you to pay to the Company at the time of the exercise of an Option or thereafter, the amount that the Committee deems necessary to satisfy the Company’s current or future obligation to withhold federal, state or local income or other taxes that you incur by exercising an Option. In connection with such an event requiring tax withholding, you may (a) direct the Company to withhold from the shares of Stock to be issued to you the number of shares necessary to satisfy the Company’s obligation to withhold taxes, that determination to be based on the shares’ Fair Market Value as of the date of exercise; (b) deliver to the Company sufficient shares of Stock (based upon the Fair Market Value as of the date of such delivery) to satisfy the Company’s tax withholding obligation; or (c) deliver sufficient cash to the Company to satisfy its tax withholding obligations. If you elect to use a Stock withholding feature you must make the election at the time and in the manner that the Committee prescribes. The Committee may, at its sole option, deny your request to satisfy withholding obligations through shares of Stock instead of cash. In the event the Committee subsequently determines that the aggregate Fair Market Value (as determined above) of any shares of Stock withheld or delivered as payment of any tax withholding obligation is insufficient to discharge that tax withholding obligation, then you shall pay to the Company, immediately upon the Committee’s request, the amount of that deficiency in the form of payment requested by the Committee.

9. Status of Stock. With respect to the status of the Stock, at the time of execution of this Agreement you understand and agree to all of the following:

(a) You understand that at the time of the execution of this Agreement the shares of Stock to be issued upon exercise of this Option have not been registered under the Act or any state securities law and that the Company does not currently intend to effect any such registration. In the event exemption from registration under the Act is available upon an exercise of this Option, you (or such other person permitted to exercise this Option if applicable), if requested by the Company to do so, will execute and deliver to the Company in writing an agreement containing such provisions as the Company may require to ensure compliance with applicable securities laws.

(b) You agree that the shares of Stock that you may acquire by exercising this Option will be acquired for investment without a view to distribution, within the meaning of the Act, and will not be sold, transferred, assigned, pledged, or hypothecated in the absence of an effective registration statement for the shares under the Act and applicable state securities laws or an applicable exemption from the registration requirements of the Act and any applicable state securities laws. You also agree that the shares of Stock that you may acquire by exercising this Option will not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable securities laws, whether federal or state.

(c) You agree that (1) the Company may refuse to register the transfer of the shares of Stock purchased under this Option on the stock transfer records of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable securities law and (2) the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the shares of Stock purchased under this Option.

10. Adjustments. The terms of the Option shall be subject to adjustment from time to time, in accordance with the following provisions:

(a) If at any time, or from time to time, the Company shall subdivide as a whole (by reclassification, by a Stock split, by the issuance of a distribution on Stock payable in Stock or otherwise) the number of shares of Stock then outstanding into a greater number of shares of Stock, then (i) the number of shares of Stock (or other kind of securities) that may be acquired under the Option shall be increased proportionately and (ii) the Exercise Price for each share of Stock (or other kind of shares or securities) subject to the then outstanding Option shall be reduced proportionately, without changing the aggregate purchase price or value as to which the outstanding Option remains exercisable or subject to restrictions.

(b) If at any time, or from time to time, the Company shall consolidate as a whole (by reclassification, reverse Stock split or otherwise) the number of shares of Stock then outstanding into a lesser number of shares of Stock, (i) the number of shares of Stock (or other kind of shares or securities) that may be acquired under the Option shall be decreased proportionately and (ii) the Exercise Price for each share of Stock (or other kind of shares or securities) subject to the then outstanding Option shall be increased proportionately, without changing the aggregate purchase price or value as to which the outstanding Option remains exercisable or subject to restrictions.

(c) Whenever the number of shares of Stock subject to the Option and the price for each share of Stock subject to the Option are required to be adjusted as provided in this Section 10, the Committee shall promptly prepare a notice setting forth, in reasonable detail, the event requiring adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the change in price and the number of shares of Stock, other securities, cash, or property purchasable by you pursuant to the exercise of the Option or subject to the Option after giving effect to the adjustments. The Committee shall promptly give you such a notice.

(d) Adjustments under this Section 10 shall be made by the Committee, and its determination as to what adjustments shall be made and the extent thereof shall be final, binding, and conclusive. No fractional interest shall be issued under the Plan on account of any such adjustments.

11. Right of First Refusal. This Option and any Stock that may be acquired pursuant hereto is subject to the Right of First Refusal and Purchase Option provisions of Sections 10(c) and 10(d) of the Plan.

12. Lock-Up Period. You hereby agrees that, if so requested by the Company or any representative of the underwriters (the "*Managing Underwriter*") in connection with any registration of the offering of any securities of the Company under the Act, you will not sell or otherwise transfer any Option Shares or other securities of the Company during the 180-day period (or such other period as may be requested in writing by the Managing Underwriter and agreed to in writing by the Company) (the "*Market Standoff Period*") following the effective date of a registration statement of the Company filed under the Act. Such restriction will apply only to the first registration statement of the Company to become effective under the Act that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Act. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period.

13. Shareholder Agreement. The Committee may, in its sole discretion, condition the delivery of Stock pursuant to the exercise of this Option upon your entering into a shareholder agreement in such form as approved from time to time by the Board.

14. Legends. The Company may at any time place legends, referencing any restrictions imposed on the shares pursuant to Sections 9, 11 or 12 of this Agreement, and any applicable federal, state or foreign securities law restrictions, on all certificates representing shares of Stock subject to the provisions of this Agreement.

15. Notice of Sales Upon Disqualifying Disposition of ISO. If the Option is designated as an Incentive Stock Option in the Notice of Grant, you must comply with the provisions of this Section. You must promptly notify the Chief Executive Officer of the Company if you dispose of any of the shares acquired pursuant to the Option within one year after the date you exercise all or part of the Option or within two years after the Date of Grant. Until such time as you dispose of such shares in a manner consistent with the provisions of this Agreement, unless otherwise expressly authorized by the Company, you must hold all shares acquired pursuant to the Option in your name (and not in the name of any nominee) for the one-year period immediately after the exercise of the Option and the two-year period immediately after the Date of Grant. At any time during the one-year or two-year periods set forth above, the Company may place a legend on any certificate representing shares acquired pursuant to the Option requesting the transfer agent for the Company's stock to notify the Company of any such transfers. Your obligation to notify the Company of any such transfer will continue notwithstanding that a legend has been placed on the certificate pursuant to the preceding sentence.

16. Right to Terminate Services. Nothing contained in this Agreement shall confer upon you the right to continue in the employ of or performing services for the Company or any Subsidiary, or interfere in any way with the rights of the Company or any Subsidiary to terminate your employment or service relationship at any time.

17. Furnish Information. You agree to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

18. Remedies. The Company shall be entitled to recover from you reasonable attorneys' fees incurred in connection with the enforcement of the terms and provisions of this Agreement whether by an action to enforce specific performance or for damages for its breach or otherwise.

19. No Liability for Good Faith Determinations. The Company and the members of the Committee and the Board shall not be liable for any act, omission or determination taken or made in good faith with respect to this Agreement or the Option granted hereunder.

20. Execution of Receipts and Releases. Any payment of cash or any issuance or transfer of shares of Stock or other property to you, or to your legal representative, heir, legatee or distributee, in accordance with the provisions hereof, shall, to the extent thereof, be in full satisfaction of all claims of such persons hereunder. The Company may require you or your legal representative, heir, legatee or distributee, as a condition precedent to such payment or issuance, to execute a release and receipt therefore in such form as it shall determine.

21. No Guarantee of Interests. The Board and the Company do not guarantee the Stock of the Company from loss or depreciation.

22. Company Records. Records of the Company regarding your service and other matters shall be conclusive for all purposes hereunder, unless determined by the Company to be incorrect.

23. Notice. All notices required or permitted under this Agreement must be in writing and personally delivered or sent by mail and shall be deemed to be delivered on the date on which it is actually received by the person to whom it is properly addressed or if earlier the date sent via certified mail.

24. Waiver of Notice. Any person entitled to notice hereunder may, by written form, waive such notice.

25. Information Confidential. As partial consideration for the granting of this Option, you agree that you will keep confidential all information and knowledge that you have relating to the manner and amount of your participation in the Plan; provided, however, that such information may be disclosed as required by law and may be given in confidence to your spouse, tax and financial advisors. In the event any breach of this promise comes to the attention of the Company, it shall take into consideration that breach in determining whether to recommend the grant of any future similar award to you, as a factor weighing against the advisability of granting any such future award to you.

26. Successors. This Agreement shall be binding upon you, your legal representatives, heirs, legatees and distributees, and upon the Company, its successors and assigns.

27. Severability. If any provision of this Agreement is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable and this Agreement shall be construed and enforced as if the illegal or invalid provision had never been included herein.

28. Company Action. Any action required of the Company shall be by resolution of the Board or by a person authorized to act by resolution of the Board.

29. Headings. The titles and headings of paragraphs are included for convenience of reference only and are not to be considered in construction of the provisions hereof.

30. Governing Law. All questions arising with respect to the provisions of this Agreement shall be determined by application of the laws of Texas, without giving any effect to any conflict of law provisions thereof, except to the extent Texas law is preempted by federal law. The obligation of the Company to sell and deliver Stock hereunder is subject to applicable laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock.

31. Word Usage. Words used in the masculine shall apply to the feminine where applicable, and wherever the context of this Agreement dictates, the plural shall be read as the singular and the singular as the plural.

32. No Assignment. You may not assign this Agreement or any of your rights under this Agreement without the Company's prior written consent, and any purported or attempted assignment without such prior written consent shall be void.

33. Acknowledgements Regarding Section 409A and Section 422 of the Code. You understand that if the purchase price of the Stock under this Option is less than the Fair Market Value of such Stock on the date of grant of this Option, then you may incur adverse tax consequences under section 409A and section 422 of the Code. You acknowledge and agree that (a) you are not relying upon any determination by the Company, its affiliates, or any of their respective employees, directors, officers, attorneys or agents (collectively, the "**Company Parties**") of the Fair Market Value of the Stock on the Date of Grant, (b) you are not relying upon any written or oral statement or representation of the Company Parties regarding the tax effects associated with your execution of this Agreement and your receipt, holding and exercise of this Option, and (c) in deciding to enter into this Agreement, you are relying on your own judgment and the judgment of the professionals of your choice with whom you have consulted. You hereby release, acquit and forever discharge the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with your execution of this Agreement and your receipt, holding and exercise of this Option.

34. Miscellaneous.

(a) This Agreement is subject to all the terms, conditions, limitations and restrictions contained in the Plan. In the event of any conflict or inconsistency between the terms hereof and the terms of the Plan, the terms of the Plan shall be controlling.

(b) The Option may be amended by the Board or by the Committee at any time (i) if the Board or the Committee determines, in its sole discretion, that amendment is necessary or advisable in light of any addition to or change in any federal or state, tax or securities law or other law or regulation, which change occurs after the Date of Grant and by its terms applies to the Option; or (ii) other than in the circumstances described in clause (i) or provided in the Plan, with your consent.

(c) If this Option is intended to be an Incentive Stock Option, then in the event the Option Shares (and all other options designed pursuant to section 422 of the Code granted to you by the Company or any parent of the Company or Subsidiary) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Option Share as of the Date of Grant) that exceeds \$100,000, the Option Shares in excess of \$100,000 shall be treated as subject to a Nonqualified Stock Option.

[End Option Agreement]

