

**TERMS FOR PRIVATE PLACEMENT OF SERIES SEED PREFERRED STOCK OF
[Insert Company Name], INC.**

[Date, 20__]

The following is a summary of the principal terms with respect to the proposed Series Seed Preferred Stock financing of [Insert Company Name], Inc., [an Idaho] [a Delaware] corporation (the “*Company*”). Except for the section entitled “Binding Terms,” such summary of terms does not constitute a legally binding obligation. Any other legally binding obligation will only be made pursuant to definitive agreements to be negotiated and executed by the parties.

Offering Terms

- Securities to Issue: Shares of Series Seed Preferred Stock of the Company (the “*Series Seed*”).
- Aggregate Proceeds: \$[_____] in aggregate [, including \$[_____] from conversion of principal and interest on outstanding promissory notes (“*Notes*”).
- Investors: [Treasure Valley Angel Fund, LLC] [Capitol City Angel Fund, LLC] (the “*Fund*”), which shall invest \$[_____] at the first close of not less than \$[_____] , [(excluding] [including] conversion of the Notes,) and other accredited investors approved by the Company] (the “*Investors*”). The first close must occur no later than sixty (60) days from the date of this Term Sheet.
- Price Per Share: Price per share shall be \$[_____] (the “*Original Issue Price*”), based on a pre-money valuation of \$[_____] , including an available option pool of [_____]%. Prior to closing, the Company shall adopt a stock option plan authorizing the foregoing option pool.
- Liquidation Preference: The greater of (i) one times the Original Issue Price, plus declared but unpaid dividends on each share of Series Seed, or (ii) the amount per share as would have been payable had all shares of Series Seed been converted into Common Stock. A merger, reorganization or similar transaction will be treated as a liquidation.
- Conversion: Convertible into one share of Common (subject to proportional adjustments for stock splits, stock dividends and the like) at any time at the option of the holder.
- Voting Rights: Votes together with the Common Stock on all matters on an asconverted basis. Approval of a majority of the Preferred Stock required to (i) adversely change rights of the Preferred Stock; (ii) change the authorized number of shares; (iii) authorize a new series of Preferred Stock having rights senior to or on parity with the Preferred Stock; (iv) redeem or repurchase any shares (other than pursuant to the Company’s right of repurchase at nominal cost); (v) declare or pay any dividend; (vi) change the number of directors; or (vii) liquidate or dissolve, including any change of control.
- Documentation: Documents will be identical to the Series Seed Preferred Stock, Version 2 documents published at <http://www.seriesseed.com/posts/documents.html> except for the modifications set forth in this Term Sheet
- Financial Information: Investors will receive standard information and inspection rights, including (i) within 30 days of the end of each of the first three fiscal quarters, a balance sheet and income statement, along with a narrative regarding the Company’s progress and challenges during the quarter, and (ii) within 60 days of the end of each fiscal year, similar financial information and narrative for the just-ended fiscal year.
- Participation Right: Investors will have the right to participate on a pro rata basis in subsequent

issuances of equity securities.

- Board of Directors: Two directors elected by holders of a majority of Common Stock, and one director who is appointed by the Fund and elected by holders of a majority of Series Seed, who initially shall be [Name of Director]. If agreed by the Company and the Fund, the board may be expanded to up to five directors.
- Expenses: Company to engage legal counsel at company's expense to draft documents. Company to reimburse counsel to Investors for document review not to exceed \$5,000.
- Future Rights: The Series Seed will be given the same rights as the next series of Preferred Stock (with appropriate adjustments for economic terms).
- Founder Matters: Founder [Name of Founder] shall grant the Company a repurchase right as to []% of the shares of Common Stock owned by Founder at a price of \$.0001 per share. The repurchase right shall lapse over a four year period commencing on the closing of the Series Seed financing, and shall be exercisable by the Company (i) upon the Founder's termination of service to the Company for cause or (ii) upon the Founder's voluntary resignation. Full acceleration (a) upon the Founder's termination of service without cause or (b) upon a "double trigger" change of control, meaning (1) the Company is sold (the first "trigger") and (2) the Founder is asked to leave within 12 months of the sale (the second or "double trigger"). Each Founder shall have assigned all relevant IP to the Company prior to closing.
- Binding Terms: For a period of thirty (30) days, the Company agrees not to solicit offers from other parties for any financing. Without the consent of Investors, the Company will not disclose these terms to anyone other than officers, directors, key service providers, and other potential Investors in this financing.

COMPANY: [_____, INC.]

Name: _____

Title: _____

Date: _____

[TVAF] [CCAF]: _____

Name: _____

Title: _____

Date: _____