# Enhanced Term Sheet

Investment Amount: $2,000,000

Security Type: XYZ Tech Solutions is offering land holdings and office buildings to investors as security for a potential loan.

Pre-Money Evaluation: $8,000,000

Post-Money Evaluation: $10,000,000

Percentage Ownership: 20%

Anti-Dilution: The terms of the anti-dilution policy include a full ratchet clause.

Dividend Policy: The company's dividend policy is to pay out 8% of its annual earnings as dividends to shareholders.

Redemption Rights: A five-year redemption clause was agreed upon, allowing ABC to exit with a 12% premium if XYZ's EBITDA grows by 20% within the period.

Governance Rights: Investors are granted governance rights, including a board seat and veto power on expenditures over $250,000.

Information Rights: Investors are granted quarterly financial audits, a full-ratchet anti-dilution clause, and a redemption clause.

Business Model: XYZ Tech Solutions provides IT software for financial companies.

Collateral: The company has put up its office buildings and land holdings as collateral for the loan.

Liquidation Preferences: In the event of a liquidation or bankruptcy, shareholders will be entitled to a distribution of proceeds based on their percentage ownership.

Drag-along Rights: Certain shareholders have the right to force other shareholders to sell their shares in the event of a sale or merger.

Transfer Restrictions on Shareholders: Shareholders must obtain shareholder approval or the right of first refusal in order to transfer their shares.

Right of First Refusal: ABC has the right to purchase shares from other shareholders before they are able to sell them to a third party.

Vesting Terms: The vesting terms for equity granted include a 4-year cliff and a 2-year vesting schedule.

Clawback: The company has the right to claw back equity or compensation from employees or shareholders in the event of certain events, such as a change in control or a change in financial performance.

Disclaimers: The term sheet includes certain disclaimers, such as the exclusion of certain liabilities or warranties, to protect the company and its shareholders.

Closing Conditions: The closing conditions for the loan include satisfactory due diligence, legal documentation, and funding.