# Enhanced Term Sheet

Enhanced Term Sheet:

Investment Amount: $2,000,000

Security Type: Land holdings and office buildings

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 given certain rights, including board representation and veto power on certain expenditures. They are also granted quarterly financial audits.

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.

Transfer Rights: Shareholders are restricted from transferring their shares without prior written consent from ABC Ventures.

Drag-along Rights: In the event of a sale of the company, minority shareholders must agree to be bound by the majority decision, ensuring a smooth transaction process.

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.

Liquidation Preferences: In the event of liquidation, ABC Ventures will be paid out before other shareholders, with a preference equal to their investment amount.

Clawback: Any financial incentives or compensation paid out in error or under false pretenses must be returned to ABC Ventures within 30 days of discovery.

Vesting Terms: Equity granted to employees and founders will vest over a period of four years, with a one-year cliff.

Closing Conditions: The loan will be disbursed upon satisfaction of standard due diligence, legal documentation, and the receipt of all necessary regulatory approvals.

Disclaimers: ABC Ventures and XYZ Tech Solutions disclaim any liability for any indirect, special, or consequential damages arising from this agreement.