

**TERMS FOR PRIVATE PLACEMENT OF SERIES SEED PREFERRED STOCK OF  
[COMPANY].**

**[DATE]**

The following is a summary of the principal terms with respect to the proposed Series Seed-1 Preferred Stock financing of [COMPANY], a Delaware corporation (the “*Company*”). 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 be Issued:	Shares of Series Seed-1 Preferred Stock of the Company (the “ <i>Series Seed</i> ”).
Aggregate Proceeds:	Up to \$X,000,000 in aggregate, \$X,000,000 of which shall be from entities affiliated with The Starting Line Fund I, L.P.
Investors:	The Starting Line Fund I, L.P. and other accredited investors approved by the Company (the “ <i>Investors</i> ”).
Price Per Share:	Price per share (the “ <i>Original Issue Price</i> ”), based on a pre-money valuation of \$X,000,000, including an available post-money option pool of X%. [For the avoidance of all doubt, The Starting Line Fund I, L.P. shall own at minimum X% on a fully diluted basis post-closing.]
Liquidation Preference:	One times the Original Issue Price plus declared but unpaid dividends on each share of Series Seed-1, pari passu with the Company’s Series Seed Preferred Stock, balance of proceeds paid to Common. 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 Series Seed and Common Stock on all matters on an as-converted basis. Approval of a majority of the Preferred Stock required to adversely change rights of the Preferred Stock. Approval of a majority of the shareholders required to (i) change the authorized number of shares of Preferred Stock; (ii) redeem or repurchase any shares (other than pursuant to the Company’s right of repurchase at original cost); (iii) declare or pay any dividend; (iv) liquidate, dissolve including any change of control; or (v) change the authorized number of directors.
Documentation:	Documents will be based on NVCA templates
Financial Information:	Investors who have invested at least \$X00,000.00 (“ <i>Major Investors</i> ”) will receive standard information and inspection rights and management rights letter.

ROFR/Co-Sale/Drag	<p>Company first and each Major Investor second (or their affiliates) will have a right of first refusal with respect to any shares of capital stock of the Company proposed to be transferred by any stockholder. Before any holder may sell Common Stock, he, she or it will give each Major Investor an opportunity to participate in such sale on a basis proportionate to the amount of securities held by the seller and those held by any Major Investor.</p> <p>All stockholders shall be required to vote their shares in favor of a Deemed Liquidation Event or transaction in which 50% or more of the voting power of the Company is transferred and which is approved by the Board of Directors, the holders of majority of the outstanding Preferred and Common Stock, voting together as a single class on an as-converted basis and the holders of a majority of the outstanding Preferred on an as-converted basis, so long as the liability of each stockholder in such transaction is several (and not joint) and does not exceed the stockholder's pro rata portion of any claim and the consideration to be paid to the stockholders in such transaction will be allocated as if the consideration were the proceeds to be distributed to the Company's stockholders in a Deemed Liquidation Event under the Company's then-current Certificate of Incorporation.</p>
Participation Right:	Major Investors will have the right to participate on a pro rata basis in subsequent issuances of equity or convertible debt related securities.
Anti Dilution Protection:	The conversion price of the Series Seed-1 Stock will be subject to proportional adjustment for stock splits, stock dividends, recapitalization, and the like. The conversion price of the Series Seed-1 Stock shall also be adjusted on a broad based weighted average basis in the event of the sale of the Company's securities at a price less than the current conversion price. However, the grant and exercise options by management or other Company personnel (as approved by the Board of Directors) shall not trigger the anti-dilution rights on the Series Seed-1 Stock.
Board of Directors:	<p>The Board of Directors will consist of X members as follows:</p> <ul style="list-style-type: none"> <li>• Holders of Common Stock will have the right to elect X member[s] of the Board of Directors, initially Y.</li> <li>• Holders of Series Seed Stock will have the right to elect X member of the Board of Directors, initially Y.</li> </ul>
Expenses:	Purchasers will be responsible for the first \$5,000 of their own legal expenses and reimbursed thereafter.
Future Rights:	The Series Seed-1 and Series Seed will be given the same rights as the next series of Preferred Stock (with appropriate adjustments for economic terms and board rights) – such determination to be made by The Starting Line Fund I, L.P.
Founder Matters	Each founder shall have four years vesting (one year cliff and monthly thereafter based on being a full time employee at the Company) dated to begin on DD/MM/YYYY. Full acceleration upon "Double Trigger." Each Founder shall have assigned all relevant IP to the Company prior to closing. The by-laws of the Company will have a ROFR and consent to transfer for all common stock.

Conditions to Closing:

- a) Customary closing conditions for a venture capital financing, including delivery of employee background checks, employee agreements, disclosure schedule, etc.;
- b) No material adverse changes in the Company's business conditions or prospects from what is currently reported.
- c) Conversion of Company from LLC to a Delaware C-Corp.
- d) Satisfactory review of Company's prior financing documents, current financials, contracts and obligations by Investor or Investors' Legal Counsel.
- e) Customary diligence, aided by Company, to speak with several of its contractors, customers, or other individuals required to complete a traditional diligence process.

Binding Terms: For a period of 30 days, the Company will not solicit offers from other parties for any financing. Without the consent of Purchasers, the Company will not disclose these terms to anyone other than officers, directors, key service providers, and other potential Purchasers in this financing. The term sheet will expire 30 days post signing.

Implementation of Carta: Within 60 days of closing, the company shall implement Carta to manage its capitalization table and to issue share certificates, options, warrants, and other securities.

**[COMPANY]**

By: \_\_\_\_\_  
Name:  
Title:

**The Starting Line Fund I, L.P.**

By: \_\_\_\_\_  
Name: Ezra Galston  
Title: General Partner