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

The following is a summary of the principal terms with respect to the proposed Series Seed Preferred Stock financing of *[Company Name]*, a Delaware corporation (the "Company"). Except for the section entitled "Binding Terms," this summary of terms does not constitute a legally binding obligation. The parties intend to enter into a legally binding obligation only pursuant to definitive agreements to be negotiated and executed by the parties.

## Offering Terms

### Securities to Issue:

Shares of a new series of preferred stock of the Company (the "Series Seed").

### Aggregate Proceeds:

*[\_\_\_\_\_\_\_\_\_]* of outstanding convertible securities (convertible promissory notes and/or SAFEs) (and all accrued but unpaid interest thereon) (the "Convertible Securities") will also convert on the same terms as stated herein.]

### Purchasers:

*[Accredited investors approved by the Company]* (the "Purchasers").

### Price Per Share:

Price per share (the "Original Issue Price"), based on a pre-money valuation of *$[\_\_\_\_\_\_\_\_\_]*, including an available option pool of *[\_\_\_]*% of the post-money fully diluted capital of the Company. [The Convertible Securities will [not] be included in the pre-money shares for purposes of determining the Original Issue Price.]

### Liquidation Preference:

One times the Original Issue Price plus declared but unpaid dividends on each share of Series Seed, balance of proceeds paid to Common Stock. A merger, reorganization or similar transaction will be treated as a liquidation.

### Conversion:

Each shares of Series Seed is convertible into one share of Common Stock (subject to proportional adjustments for stock splits, stock dividends and the like) at any time at the option of the holder. [Conversion ratio will be subject to adjustment on a broad-based, weighted average basis in the event of subsequent issuances at a price less than the Original Issue Price (as adjusted) subject to customary exceptions.]

### Voting Rights:

Votes together with the Common Stock on all matters on an as-converted 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 employee or consultant agreements); (v) declare or pay any dividend; (vi) change the number of directors; or (vii) liquidate or dissolve, including any change of control.

### Documentation:

This Term Sheet, and the related investment documents, have been prepared using industry-curated documents made available via an automated document generator located at <https://cooleygo.com/seedequity/>. The final documents used will be identical to such documents, except for the modifications set forth in this Term Sheet.

### Financial Information:

Purchasers who have invested at least *[$\_\_\_\_\_\_\_\_]* ("Major Purchasers") will receive standard information and inspection rights.

### Participation Right:

Major Purchasers will have the right to participate on a pro rata basis in subsequent issuances of equity securities.

### Board of Directors:

The Board of Directors will consist of *[\_\_\_]* members as follows: \* Holders of Common Stock will have the right to elect *[\_\_\_]* member[s] of the Board of Directors, initially [insert name(s)]. \* [Holders of a majority of Series Seed will have the right to elect *[\_\_\_]* member[s] of the Board of Directors, initially [insert name(s)][vacant].] \* [Holders of Common Stock and Series Seed, voting together as a single class, will have the right to elect *[\_\_\_]* member[s] of the Board of Directors, initially [insert name(s)][vacant].]

### Expenses:

Company to reimburse counsel to Purchasers for a flat fee of $[10,000].

### Future Rights:

The Series Seed will be given the same rights as the next series of Preferred Stock (with appropriate adjustments for economic terms).

### Key Holder Matters:

Each Key Holder shall have four years vesting beginning *[\_\_\_\_\_\_\_]*. Full acceleration upon "Double Trigger." Each Key Holder shall have assigned all relevant IP to the Company before closing.

### 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.

Accepted and agreed as of the latest date set forth below: ## COMPANY:

*[Company Name]*

Name:

Title:

Date:

## LEAD INVESTOR:

Name:

Title:

Date: