

RECLAIM – BRIDGE FUNDING OVERVIEW

1. Purpose of the Bridge

This bridge funding is intended to give Reclaim enough runway to reach a real, usable MVP and early pilots.

Funds will be used for:

- Engineering, legal, operating expenses,
- Fund trials for each of the modules
- Prepare for a proper seed/angel round or Reg C crowdfunding campaign

2. Investment Structure

Each supporter comes in on the same basic structure:

A. Personal Loan (Promissory Note)

1. Up to \$100,000 total
2. Interest: 6% simple interest per year.
3. Term: 48 months (4 years) from the date of the note.
4. Repayment:
 - a. Full principal plus accrued interest due at maturity.
 - b. May be repaid early at any time without penalty.
5. Security: no collateral, underwritten by Shaun

B. Equity Incentive (SAFE)

In addition to the loan, each lender receives an equity position via a standard YC-style SAFE (Simple Agreement for Future Equity):

- Instrument: Post-money SAFE (standard form).
- Purchase Amount: typically around one-third of the loan amount.
- Example: \$50,000 loan + \$10,000 SAFE.
- Valuation Cap: early-backer cap (for example, \$3,000,000–\$5,000,000).
- Discount: 0% (no discount – the incentive is the low valuation cap).

This gives each supporter equity upside if Reclaim later raises a priced funding round or is acquired.

3. Optional Conversion of the Loan

To further align incentives, the loan includes an optional conversion feature:

- If the Reclaim company later issues SAFEs or completes an equity financing round, Shaun and the lender may agree in writing to convert some or all of the then-outstanding loan (principal and interest) into an additional SAFE on similar terms to that round.
- Any portion that is not converted remains a normal loan and can still be repaid in cash.

In other words:

Worst case: this remains a personal loan that Shaun is obligated to repay.

Best case: if Reclaim is clearly working and raising money, the lender can choose to convert more of their position into equity.

4. Example – How It Looks in Practice

Example headline commitment: \$50,000

- Promissory Note (loan): \$50,000 at 6% simple interest, 48-month term.
- SAFE (equity kicker): \$10,000 at an early-backer valuation cap with 0% discount.

In this example, the supporter is effectively treated as having put \$40k at risk in Reclaim:

- \$50k as a personal loan which Shaun remains obligated to repay, and
- \$10k as an equity position that converts into shares if Reclaim is funded in the future.

If Reclaim later raises a priced round, the supporter can also choose to convert some or all of the loan into additional equity on similar terms, instead of waiting purely for repayment.
