



Convertible Promissory Note Term Sheet

Issuer: [NAME] (the “Company”)

Type of Security: Convertible Promissory Notes (the “Notes”)

Total Round: \$[AMOUNT]

Investors: Accomplice Fund I, L.P. (“Accomplice”)

Other investors shall be mutually agreeable to the Company and Accomplice.

Maturity Date: The principal and all accrued interest on the Notes will be due and payable upon the demand of Investors holding at least [X%] of the then outstanding principal on the notes (an “Investor Majority”) at any time on or after [DATE] (the “Maturity Date”), unless previously converted in accordance with the “Conversion” section below.

Interest Rate: [X]% per annum. Upon any default under the Notes, the Notes shall accrue interest at a rate of [X]%.

Prepayment: Upon consent of the Investor Majority.

Conversion and Conversion Price: In the event that the Company consummates a preferred stock financing in which the Company receives at least \$2,000,000 of gross proceeds (excluding conversion of the Notes) while the Note remains outstanding (a “Qualified Financing”), then all outstanding principal and accrued interest on the Notes shall automatically convert into shares of such preferred stock at the lesser of (A) the per share price of such Qualified Financing less a [X]% discount and (B) the price per share of such preferred stock valued at a pre-money valuation of [\$XM].

In the event that the Company consummates a non-Qualified Financing (as defined below) while the Notes remain outstanding, then all outstanding principal and accrued interest on the Notes shall convert, at the individual election of an Investor, into shares of the security sold in such non-Qualified Financing at the lesser of (A) the per share price of such non-Qualified Financing less a [X]% discount and (B) the price per share of such preferred stock valued at a pre-money valuation of [\$XM]. A non-Qualified Financing is any financing that does not qualify as a Qualified Financing.

Change of Control: If the Company is sold or merged at any time while the Note remains outstanding, then the Note (principal and any accrued but unpaid

interest) shall, at the election of the holder of the Note, either (A) be repaid in an amount equal to 2X all outstanding principal and accrued interest on the Notes or (B) convert into Common Stock of the Company at a Company valuation of [\$XM.]

Default: The Notes shall be payable upon an event of default. An event of default should include (at a minimum): bankruptcy, insolvency, failure to pay money when due under the Note, material breach of the Note or the Note Purchase Agreement or the Company's default under other indebtedness.

Purchase Agreement: The bridge financing will be made pursuant to a Note and Note Purchase and such other documentation as will be drafted by counsel to the Company and as may be acceptable to the Investors. Until the Note and Note Purchase Agreement is signed, there will not exist any obligation on the part of Company, the Investors or any other person to consummate the transactions contemplated hereby.

Expenses: The Company to pay the reasonable fees and expenses of counsel to the Investors not to exceed \$10,000.

AGREED AND ACCEPTED: [COMPANY NAME]

By: _____
Name:
Title:

ACCOMPLICE FUND I, L.P.

By: _____
Name:
Title: