

[ISSUER NAME]

**MEMORANDUM OF TERMS FOR
FLASHSEED CONVERTIBLE PROMISSORY NOTES**

This Memorandum of Terms represents only the current thinking of the parties with respect to certain of the major issues relating to the proposed private offering and does not constitute a legally binding agreement, except as expressly set forth herein. This Memorandum of Terms does not constitute an offer to sell or a solicitation of an offer to buy securities in any state where the offer or sale is not permitted.

Issuer: [ISSUER NAME], a [Delaware] limited liability company (the “Company”).

Securities: FlashSeed Convertible Promissory Notes (“Convertible Notes”).

Amount of the Offering: Up to a maximum \$[XXXXXX] of new investment. A minimum of \$[XXXXXX] of new investment (the “Minimum Amount”) will be required for the initial closing of the sale and issuance of the Convertible Notes.

Offering Period The offering of the Convertible Notes will remain open until [DATE] (the “Offering End Date”).

Escrow & Closing: Funds for Convertible Note subscriptions will be deposited in escrow through the FlashFunders™ platform and will be released to the Company if subscriptions from verified accredited investors (in accordance with FlashFunders procedures) for the Minimum Amount are received in escrow and accepted by the Company prior to the Offering End Date. If subscriptions for the Minimum Amount are not received and accepted prior to the Offering End Date, all funds in escrow will be returned to investors.

Interest Rate: []% per annum payable upon the Maturity Date, unless earlier converted as described below.

Maturity Date: The earlier of (i) [MATURITY DATE] and (ii) the consummation of a Company change of control or other liquidation event.

Prepayment: The Convertible Notes may not be prepaid prior to the Maturity Date without the prior written consent of the holders of Convertible Notes holding more than 50% of the outstanding aggregate principal amount of the Convertible Notes (the “Majority Holders”).

Qualified Equity Financing: Company preferred equity security (“Preferred Security”) financing of at least \$[XXXXXX] (excluding the Convertible Notes and other convertible debt).

Discount Conversion Price:

Lower of (i) a \$[XXXXXX] valuation cap (obtained by dividing \$[XXXXXX] by the Company's fully diluted capitalization) (the "Maximum Conversion Price"); and (ii) []% of the price per security paid by the other purchasers in a Qualified Equity Financing.

Automatic Conversion:

In the event the Company consummates a Qualified Equity Financing prior to the Maturity Date, all principal and accrued unpaid interest under each Convertible Note (the "Total Loan Amount") shall automatically convert into the most senior equity securities of the Company ("Most Senior Securities") outstanding immediately prior to the consummation of the Qualified Equity Financing and Preferred Securities sold in the Qualified Equity Financing at the Discount Conversion Price. The total number of securities issuable upon such conversion shall be determined by dividing the Total Loan Amount by the Discounted Conversion Price (the "Total Number of Securities"). The Total Number of Securities shall consist of (i) that number of Preferred Securities obtained by dividing (a) the Total Loan Amount by (b) the price per security paid by other purchasers in the Qualified Equity Financing (the "Number of Preferred Securities") and (ii) that number of Most Senior Securities equal to the Total Number of Securities minus the Number of Preferred Securities.

Maturity Conversion:

In the event (i) the Company does not consummate a Qualified Equity Financing prior to the Maturity Date or (ii) a Company change of control or other liquidation event occurs while any principal or accrued interest remain outstanding under the Convertible Notes, then at the election the Majority Holders, the Total Loan Amount shall be converted into the Most Senior Securities then outstanding at the Maximum Conversion Price (a "Maturity Conversion").

Liquidation Event:

If the Company consummates a Company change of control or other liquidation event prior to a Qualified Equity Financing, then, upon the election of the Majority Holders, either (i) each holder shall receive a payment equal to the sum of (a) []X the principal amount of the Convertible Note and (b) all accrued unpaid interest under the Convertible Note, or (ii) the Total Loan Amount shall convert into the Most Senior Securities then outstanding in accordance with a Maturity Conversion.

Information rights:

As soon as practicable following the end of each fiscal year, the Company will deliver to holder of a Convertible Note with a principal amount of at least \$[25,000], upon request, copies of the Company's unaudited annual financial statements consisting of balance sheet and statement of operations, provided that such holder will agree to maintain the confidentiality of such financial statements and the Company will not be required to provide such financial statements to any competitor.

Restricted Securities:

The Convertible Notes, and any securities of the Company issued upon conversion of the Convertible Notes, will be “restricted securities” for purposes of U.S. and State securities laws, and may only be transferred pursuant to an effective registration or valid exemption from registration.

Amendments; Governing Law:

The terms and conditions of the Convertible Notes may be amended or waived with written consent of the Company and the Majority Holders. Investment documents will be governed by **Delaware** law.

Arbitration; Waiver of Class Actions Claims:

Subject to limited exceptions, all claims as an equity holder or relating to the investment in the Company will be subject to resolution by mandatory, binding arbitration. Claims may be brought only individually, and not as a class action or similar claim.

The undersigned investor, by executing this Memorandum of Terms, agrees to execute the definitive Subscription Agreement for the Convertible Notes and deposit such investor's full subscription amount into escrow through the FlashFunders platform as soon as practicable following such time as the Company's offering of the Convertible Notes (on substantially the terms set forth in the Memorandum of Terms) is commenced on the FlashFunders platform.

The foregoing paragraph shall constitute a binding obligation of the undersigned investor. This Memorandum of Terms may be executed in counterparts, which together will constitute one document. Facsimile signatures shall have the same legal effect as original signatures. The legally binding portions of this Memorandum of Terms will be governed by California law, without regard to conflicts-of-law principles.

[COMPANY NAME]

By: _____
Name: _____
Title: _____

INVESTOR NAME:

By (signature): _____
Name: _____
Title: _____
Subscription Amount: \$ _____