

# Binding Term Sheet and Letter of Intent for Series A Financing

**Date:** [Insert Date]

**To:** [Founder Name / CEO Name]

**Company:** [Company Name]

**Address:** [Company Address]

This Term Sheet summarizes the principal terms of the proposed Series A Preferred Stock financing of [Company Name] (the "Company"). This letter constitutes a binding agreement between the Company and [Investor Name] (the "Lead Investor") regarding the exclusivity and confidentiality provisions herein.

## 1. Investment Terms

- **Investor:** [Lead Investor Name] and its affiliates.
- **Amount of Investment:** \$[Amount] for [Percentage]% of the post-money valuation.
- **Pre-Money Valuation:** \$[Amount].
- **Price Per Share:** \$[Amount] (The "Purchase Price").

## 2. Capitalization

The capitalization of the Company immediately following the Closing is set forth in the attached Exhibit A, reflecting an available Option Pool of [Percentage] % on a post-money basis.

## 3. Rights and Preferences

- **Liquidation Preference:** One times (1x) the Purchase Price plus declared but unpaid dividends.
- **Voting Rights:** Each share of Series A Preferred Stock shall vote together with the Common Stock on an as-converted basis.
- **Board of Directors:** The Board shall consist of [Number] members. The Investors shall have the right to appoint [Number] director(s).
- **Anti-Dilution:** Broad-based weighted average anti-dilution protection.

## 4. Conditions to Closing

Closing is subject to satisfactory completion of legal and financial due diligence, execution of definitive transaction documents, and any necessary regulatory approvals.

## 5. Exclusivity (Binding)

For a period of [Number, e.g., 30] days from the date of this letter, the Company agrees not to solicit, encourage, or negotiate with any third party regarding any alternative financing or sale of the Company.

## **6. Confidentiality (Binding)**

The Company and the Investor agree to keep the terms of this Term Sheet confidential and will not disclose them to any third party without prior written consent.

## **7. Governing Law**

This agreement shall be governed by and construed in accordance with the laws of the State of [State Name].

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**[INVESTOR NAME]**

By: \_\_\_\_\_

Name: [Name]

Title: [Title]

**[COMPANY NAME]**

By: \_\_\_\_\_

Name: [Name]

Title: [Title]