

WILLAMETTE ANGEL CONFERENCE 2017, LLC
CONVERTIBLE PROMISSORY NOTE TERM SHEET

This term sheet summarizes the principal terms of the proposed financing for the company selected as a winner at the 2017 Willamette Angel Conference (the “**Company**”) by the investment fund known as Willamette Angel Conference 2017, LLC (“**WAC**”). It is not binding on Company or the Investors (as defined below), nor is Company or WAC obligated to consummate the convertible promissory note financing until a definitive convertible note purchase agreement has been agreed to and executed by Company and the Investors and due diligence has been completed. However, given the format of the conference and in WAC’s interest in successfully placing an investment with a conference participant, if Company objects to any of these terms or cannot in good faith enter negotiations on the basis of these terms, WAC would appreciate a frank discussion prior to the conference to avoid an unsuccessful result.

Financing Amount: Minimum of \$200,000 in aggregate principal amount of convertible promissory notes (the “**Notes**”).

Company Structure and Existing Financing; Due Diligence: This Term Sheet assumes Company has an appropriate legal structure for receiving investments (either C-Corporation or LLC with investor-grade operating agreement), and has or will engage qualified legal counsel. If the Company has a financing in progress, WAC will consider an investment on the terms of such financing. Company agrees to work with WAC due diligence teams in responding to reasonable requests for information prior to and following the conference.

Closings: The Company may close the sale of the Notes in one or more closings with one or more purchasers of the Notes acceptable to the Company (the “**Investors**”), but WAC reserves the right to cease negotiations with Company if it appears that the investment will not be finalized within 60 days of the conference (the “**Closing**”). WAC may establish pre-funding and tranche payment milestones with Company.

Definitive Agreement: The Notes will be issued and sold pursuant to a convertible note purchase agreement prepared by WAC’s legal counsel and will contain customary representations and warranties of the Company and the Investors (the “**Note Purchase Agreement**”).

Maturity Date: Principal and unpaid accrued interest on the Notes will be due and payable 24 months from the date of the Note Purchase Agreement (the “**Maturity Date**”) unless extended by

Requisite Holders (as defined below), or earlier upon a default or acquisition of the Company.

Interest:

Annual accruing cumulative interest of 8%, payable at maturity.

Conversion to Equity:

Automatic Conversion in a Qualified Financing. If the Company issues equity securities (“***Equity Securities***”) in a transaction or series of related transactions resulting in aggregate gross proceeds to the Company of at least \$500,000 in new investment, excluding conversion of the Notes and any other indebtedness (a “***Qualified Financing***”), then the Notes, and any accrued but unpaid interest thereon, will automatically convert into the equity securities issued pursuant to the Qualified Financing at a conversion price equal to the lesser of (i) 80% of the per share price paid by the purchasers of such equity securities in the Qualified Financing or (ii) a valuation cap amount to be negotiated before the conference divided by the aggregate number of outstanding shares of the Company’s Common Stock on a fully diluted basis as of immediately prior to the initial closing of the Qualified Financing (assuming full conversion or exercise of all convertible and exercisable securities including any class of Preferred Stock then outstanding other than the Notes).

Voluntary Conversion at the Maturity Date. If the Notes have not been previously converted pursuant to a Qualified Financing, then, effective upon the Maturity Date, the Requisite Holders (as defined below) may elect to convert each of the Notes into shares of the Company’s Common Stock at a conversion price equal to one-half of the valuation cap amount divided by the aggregate number of outstanding shares of the Company’s Common Stock on a fully diluted basis as of the Maturity Date (assuming full conversion or exercise of all convertible and exercisable securities including any class of Preferred Stock then outstanding other than the Notes). Any election to convert the Notes pursuant to this paragraph will be made in writing and delivered to the Company at least ten days prior to the Maturity Date.

Sale of the Company:

If a Qualified Financing has not occurred and the Company elects to consummate a sale of the Company prior to the Maturity Date, then notwithstanding any provision of the Notes to the contrary (i) the Company will give the Investors at least ten days prior written notice of the anticipated closing date of such sale of the Company and (ii) the Company will pay the holder of each Note an aggregate amount equal to two (2) times the aggregate amount of principal and interest then outstanding under such Note in full satisfaction of the Company's obligations under such Note.

Board Member:

Company will appoint a representative selected by WAC as a board member with all customary rights of board members including the right to call a board meeting. Such person will be entitled to notice of meetings and to receive all information and materials provided to board members participating in such meetings or taking any action without a meeting, in any case at the same time as board members receive such notice and materials.

Most Favored Investor Term:

The Investors will receive the benefit of any more favorable terms or conditions that may be provided to other lenders to, or investors in, the Company prior to the date that the Notes are converted into capital stock of the Company or paid in full.

Pre-Payment:

The principal and accrued interest may not be prepaid unless approved in writing by Investors holding Notes whose aggregate principal amount represents a majority of the outstanding principal amount of all then-outstanding Notes (the "***Requisite Holders***").

Acquisition Following Note Repayments:

If the Company is acquired during the twelve (12) months following full repayment of all amounts due under the Note, the Company shall pay Investors, within thirty (30) days following the closing of such acquisition, an amount determined as follows: 1.0X the original principal balance of the Note for an acquisition closed within six (6) months of Note repayment; 0.5X the original principal balance of the Note for an acquisition closed between seven (7) and twelve (12) months of Note repayment.

Use of Funds:

Proceeds shall be used for general corporate operations, and not for repayment of any existing debt obligations of

Company, including accrued Company employee or founder compensation.

Amendment and Waiver:

The Note Purchase Agreement and the Notes may be amended, or any term thereof waived, upon the written consent of the Company and the Requisite Holders.

No Security Interest:

The Notes will be a general unsecured obligation of the Company, however, Company agrees that it will not grant any liens on its intellectual property while the Note is outstanding.

Fees and Expenses:

Company will reimburse WAC for up to \$5,000 of legal and other expenses associated with this transaction to be paid out of the proceeds of our Note.

Founder/Employees:

Founder(s) and all employees and contractors as of the Closing shall have assigned all relevant intellectual property to the Company and shall have entered into nondisclosure and non-solicitation agreements in a form reasonably acceptable to WAC, with such covenants to be applicable during the term of their employment by the Company and for two years after the termination thereof.