

[COMPANY NAME]

INDICATION OF INTEREST

The undersigned indicates an interest in making an investment in [company name] (the "**Company**") on the terms set forth in the Summary of Terms attached hereto as Exhibit A with a capital commitment in the amount of:

\$

(Please indicate desired capital commitment or range)

The undersigned acknowledges and agrees that no binding obligation shall exist prior to the execution and delivery of mutually agreeable, definitive legal documentation related to an investment in the Company. In addition, the undersigned acknowledges and agrees that the final capital commitment amount (if any) allocated to the undersigned by the general partner of the Fund (as determined in its sole discretion) may be less than that for which the undersigned may otherwise wish to subscribe.

INVESTOR:

(Print name of individual or entity that wishes to invest)

By: _____
(Signature of authorized signatory)

Address: _____

Name: _____
(Name of authorized signatory)

Phone: _____

Title: _____
(Title of authorized signatory)

Email: _____

Date: _____

Sample Indication of Interest Term Sheet

Exhibit A

Type of security	Convertible Preferred Stock (Series A)
Dividend	6% non-cumulative
Conversion	Preferred shares are convertible at any time to Common shares at a conversion ratio of 1:1. Preferred shares are also convertible at an IPO of at least \$15 million.
Dilution protection	Weighted average method. This method minimizes the loss of percentage of ownership of Company by an investor due to investments from other investors in future rounds.
Voting rights	One vote per share as if the Preferred Stock was converted to Common Stock. A two thirds vote will be needed to amend the corporate by-laws, issue new stock, incur debt, sell the Company or shut down the Company.
Redemption	Stockholders will have the right to force the Company to buy back the shares after 6 years.
Registration rights	If the Company completes an IPO, shareholders will be able to register their shares for sale as allowed by law.
Pro rata share offers	Investors can invest in future rounds of financing in order to retain the same percentage ownership in the Company.
Board participation	Investors will have one seat on the board of directors.
Conditions precedent	Funding will occur only if due diligence is complete, all legal documents are signed, and any special conditions requested by investors are met by the Company.
Covenants	Company management agrees to provide monthly status reports and make financial records available for inspection at any time. Company agrees to abide by all laws and maintain proper insurance.
Expenses	Company pays for all legal and due diligence expenses regarding this financing round.
Use of proceeds	Hire CFO and Sales Manager, buy inventory, pay off accounts payable, meet other working capital needs.