TERM SHEET
FOR CONVERTIBLE PROMISSORY NOTE
[COMPANY NAME]

This term sheet is an expression of intent only and merely sets forth the terms upon which the Delaware Innovation Space, Inc. ("***DISI***") would agree to permit the Company (defined below) to satisfy certain payment obligations under the Entrepreneur Client License Agreement (the "***Client Agreement***") between DISI and the Company through issuance of a Note (as defined below). The primary purpose of the Note is to support DISI's tax-exempt purpose of incubating, educating, and supporting science, engineering and technology businesses for the benefit of advancing science and economic development in the State of Delaware and not to produce income for DISI or to create a property interest that is likely to appreciate. This term sheet does not express the agreement of the parties and is not meant to be binding on the parties. The parties do not intend to be bound until they enter into definitive agreements regarding the subject matter of this term sheet.

Issuer:	[Company name, jurisdiction of formation] (the "***Company***").
Promissory Note:	The Company may elect to satisfy payment of up to $75,000 in Monthly License Fees, as defined in or otherwise provided for under the Client Agreement ("***Monthly License Fees***"), in lieu of cash payment for such Monthly License Fees by issuance of a promissory note (the "***Note***") to DISI in the principal amount of up to $75,000. The Note will have the following principal provisions: <u>Maturity</u>: Unless earlier repaid or converted, outstanding principal and unpaid accrued interest on the Notes will be due and payable upon request of DISI made on or after the date which is 36 months from the issuance (the "***Maturity Date***"). <u>Interest</u>: Simple interest will accrue on an annual basis at the rate of 6.0% per annum, based on 365 days in a year. <u>Conversion</u>: In the event the Company consummates, prior to the Maturity Date, an equity financing pursuant to which it sells shares of its preferred stock (the "***Preferred Stock***"), with an aggregate sales price of not less than $500,000.00, excluding any and all indebtedness under the Note or any other convertible promissory notes issued by the Company that are converted into Preferred Stock, and with the principal purpose of raising capital (a "***Qualified Financing***"), then all principal, together with all accrued but unpaid interest under the Note, will automatically convert into shares of the Preferred Stock at 80% of the price per share paid by the other purchasers of Preferred Stock in the Qualified Financing. Notwithstanding the foregoing, in no event will the Note convert into any shares of capital stock of the Company if the Company is taxed as a partnership at the time of conversion. <u>Change of Control</u>: If the Company is acquired prior to the Qualified Financing, DISI will receive cash repayment equal to 150% of the outstanding principal balance of the Note then outstanding plus accrued but unpaid interest.

Pre-Payment: The principal and accrued interest may be prepaid with approval in writing by DISI.

Security: The Notes will be unsecured obligations of the Company.

Conditions to Draw: The Company may elect to satisfy Monthly License Fees under the Client Agreement by providing written notice to DISI prior to the date such Monthly License Fees are due, which Monthly License Fees will increase the outstanding principal balance under the Note on the date such Monthly License Fees are due under the Client Agreement, provided that the following conditions are met:

1. The Company is not in default under the Client Agreement or the Note (unless any such default is waived by DISI in its sole discretion).
2. The aggregate outstanding principal balance at no time exceeds $75,000.
3. Any such election shall not, in DISI' reasonable discretion, frustrate or otherwise be inconsistent with DISI' tax-exempt purpose.
4. In DISI' determination, the Company is making progress towared milestones and other conditions set forth under the Client Agreement.

Events of Default: The Note will have customary events of default, including failure to pay principal and interest when due, assignments for the benefit of creditors, voluntary or involuntary bankruptcy and appointment of receiver or liquidator of the Company, or breach of the Client Agreement or the Note.

Expenses: The Company and DISI will each bear their own legal and other expenses with respect to the Note.