

Purchaser's due diligence] [regulatory approvals] [third party consents] [the Purchaser's obtaining third-party financing in an amount sufficient to fund the purchase price and on terms satisfactory to it].]

**Registration Rights:** The holders of shares of stock issued upon the Note's conversion will have customary registration rights, including the right to piggyback on any registration of shares from the same class of equity by the Issuer

**Transferability:** The Purchaser may not transfer the Note [, except [to its affiliates and] in compliance with applicable state and federal securities laws.]

**Documentation:** The [Issuer's counsel] will prepare initial drafts of definitive legal documentation for review and comment by the [Purchaser's counsel]. The definitive documentation [will combine the loan agreement terms, the convertible note [, and the security agreement] in a single document] [will consist of a note purchase agreement with attached forms of the note[s] and security agreement to be executed on closing].

**Governing Law and Jurisdiction:** [This term sheet and the definitive documentation shall be governed by and construed in accordance with the laws of New York State applicable to transactions signed and to be performed solely within such state.

**Confidentiality:** [This term sheet is Confidential Information within the meaning used in the confidentiality agreement, dated [CONFIDENTIALITY AGREEMENT DATE], between the parties hereto.]

[Except as otherwise required by law, the Issuer will not disclose the existence or terms of this term sheet or any of the matters referred to herein ("Confidential Information") to any persons other than its executive officers, directors, accountants and attorneys, and shall inform all recipients of Confidential Information that they may not disclose it to third parties. The Purchaser is responsible for all such recipients' conduct with respect to the Confidential Information. The Issuer may seek injunctive relief, in addition to other remedies, to enforce this provision.]

**Exclusivity:** During the period commencing on the date hereof and continuing for 90 days, neither the Issuer, nor any of its respective affiliates, agents, principals, attorneys, or other representatives shall directly or indirectly contact, solicit, encourage or negotiate with any person or entity other than Purchaser with respect to any transaction involving the purchase of equity interests of the Company, or substantially all of its business and assets (a "Competing Transaction"). If Seller receives or becomes aware of any offer to engage in a Competing Transaction, he will promptly notify Purchaser of such offer, its terms, and the offeror's identity.

**Expenses:** [The parties will pay their own expenses in connection with this transaction.] [Contingent upon closing, the Issuer will pay all of the Purchaser's third-party expenses from the date hereof in connection with this transaction, including legal and financial advisory fees, up to a maximum amount of \$[THIRD-PARTY EXPENSES MAX], from the proceeds of the Issuance.]