

Newark Venture Partners
Non-Binding Term Sheet
Series Seed Preferred Stock Financing
Caliber UX, Inc.

October 3, 2017

This memorandum summarizes the principal terms of the Series Seed Preferred Stock financing of Caliber UX, Inc., a Delaware Corporation (“CaliberMind” or the “Company”). Except for the offering terms entitled “Confidentiality” and “Good Faith” this memorandum is non-binding and is intended solely as a summary of the terms that are currently proposed by the parties. The parties acknowledge that they neither intend to enter, nor have they entered, into any agreement to negotiate a definitive agreement pursuant to this memorandum, and either party may, at any time prior to execution of such definitive agreement, propose different terms from those summarized herein or unilaterally terminate all negotiations pursuant to this memorandum without any liability whatsoever to the other party. The completion of the transaction contemplated by this memorandum will be subject to, among other things, satisfactory completion of financial and legal due diligence by Newark Venture Partners (“NVP”) as well as the completion of final documents acceptable to the Company and NVP.

Issuer: CaliberMind

Security: Series Seed Preferred Stock.

Aggregate Offering: NVP and other investors reasonably acceptable to the Company will invest up to \$2,000,000 (the “Aggregate Offering Amount”) in newly issued Series Seed Preferred Stock (the “Series Seed Preferred Stock”) as detailed below:

- a. Minimum of \$500,000 from NVP.
- b. Up to \$1,500,000, but not less than \$500,000, from new and existing investors reasonably acceptable to NVP and the Company.

Valuation: Per share purchase price (the “Series Seed Original Purchase Price”) to be determined after due diligence review of the Company’s cap table based on a pre-money valuation of \$5,000,000 implying a post-money valuation of \$7,000,000 (excluding the conversion and exercise of all convertible and exercisable securities (including any SAFE or convertible notes), but including options reserved for issuance pursuant to the Company’s stock option plan (adjusted as provided below).

Employee Stock Option Pool: Prior to the Closing, the Company will reserve common stock shares so that 5% of its fully diluted capital stock following the issuance of its Series Seed Preferred Stock is available for future issuances to directors, officers, employees and consultants.

- Pro-rata Rights:* The holders of Series Seed Preferred Stock will have an assignable right to purchase shares equivalent to such holder's pro-rata ownership of any future Company financing.
- Liquidation Preference:* In the event of a Liquidation Event (as defined in the template documents available at NVCA.org (the "NVCA Documents"), the proceeds shall be distributed to the shareholders as follows:
- First, the holders of the Series Seed Preferred Stock will receive an amount equal to 100% of the Series Seed Original Purchase Price plus any declared but unpaid dividends on each share of Series Seed Preferred Stock. After the Series Seed Preferred Stock receive the liquidation preference referenced above, remaining proceeds will be paid to holders of common stock.
- For the purposes of the Series Seed Preferred Stock Liquidation Preference, a Liquidation Event will be consistent with the terms outlined in the Company's Amended and Restated Articles of Incorporation (the "Liquidation Event"), which shall be based on the NVCA Documents.
- Other Rights:* Protective Provisions, Conversion Rights, Dividend Rights, Anti-Dilution Provisions, Voting Rights, Pre-Emptive Rights, Drag Along Rights, Rights of First Refusal, Right of Co-Sale, Information Rights will all be standard based on NVCA Documents, as adjusted to materially compare with the provisions of the model documents available at Seriesseed.com. The Company's bylaws shall contain a right of first refusal applicable to all shares and all option grant agreements shall have vesting provisions that are standard and approved by the Board.
- Board of Directors:* The Board of Directors shall have three (3) members, one (1) member to be nominated by NVP and approved by the holders of a majority of the outstanding Series Seed Preferred Stock, and the other members to be elected by the holders of a majority of the outstanding common stock.
- Newark Presence:* NVP is a long-term investor whose goal is to support portfolio company development while building the technology ecosystem in Newark, NJ. In furtherance of that intent, the Company shall work with NVP to establish a sales office in Newark in conjunction with the Series Seed Financing.
- Closing:* Initial closing on or about October 27th, subject to the Closing Conditions.
- (i) Satisfactory completion of investor due diligence,
 - (ii) Drafting and execution of definitive documentation, and
 - (iii) Approval by NVP investment committee (provided that if NVP fails to timely obtain such approval, the section titled "Good Faith" shall terminate);

- (iv) Other customary conditions contained in the NVCA Documents.

At any time on or prior to the date 120 days after the initial closing date, the Company may hold additional closings hereunder, up to the Aggregate Offering Amount.

Good Faith:

The Company agrees to work in good faith expeditiously toward the Close, and that it will not, for a period of 45 business days from the date this term sheet is executed, take any action to solicit, initiate, encourage or assist in the submission, furtherance of or acceptance of any proposal, negotiation or offer from any person or entity other than NVP relating directly or indirectly to the sale or issuance of any of the capital stock of the Company, borrowings, or the acquisition, sale, lease, license or other disposition of the Company or any material part of the stock or assets of the Company other than the financing discussions with parties who intend to participate in this financing (including, for the avoidance of doubt, prospective investors), without the prior written consent of NVP and shall notify NVP promptly of any inquiries by any third parties in regards to the foregoing.

Counsel and Expenses

Reasonable legal, due diligence and other out-of-pocket expenses incurred by NVP in an amount not to exceed \$25,000 will be reimbursed by the Company following the closing. Company counsel shall draft documents based on NVCA Documents, as adjusted to materially compare with the provisions of the model documents available at Seriesseed.com.

Confidentiality:

The existence, terms and conditions of this term sheet are strictly confidential and may not be disclosed to anyone other than to the directors, officers and advisors of the Company and other prospective investors acceptable to NVP, including holders of convertible and exercisable securities (including any SAFE or convertible notes) issued by the Company.

Governing Law:

This Term Sheet shall be governed by the laws of the State of Delaware.

This memorandum may be executed in two or more counterparts, including by electronic facsimile transmission, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

This offer expires at 5:00pm EST on Wednesday, October 4th, 2017.

[Reminder of Page Left Blank]

NEWARK VENTURE PARTNERS FUND, L.P.,
a Delaware limited partnership

By: NVP General Partner, L.L.C., its General Partner

By: 
Name: Daniel Borok
Title: Managing Member

CALIBER UX, INC.

By: 
Name: Raviv Turner
Title: Chief Executive Officer

[CaliberMind Series Seed Preferred Stock Term Sheet Signature Page]
EXHIBIT A PRO-FORMA CAPITALIZATION

Stockholders	Common Stock	Series Seed Pref. Stock	Total Outstanding	Total Outstanding %	Options	Warrants	Total Fully Diluted	Total Fully Diluted %
Raviv Turner	492,150.00		492,150.00	22.52%	-	-	492,150.00	18.91%
Oren Zamir	472,850.00		472,850.00	21.63%	-	-	472,850.00	18.17%
Emerson Stone, LLC	20,000.00		20,000.00	0.91%	-	-	20,000.00	0.77%
John Kembel	10,000.00		10,000.00	0.46%	-	-	10,000.00	0.38%
Annette Franz	1,145.00		1,145.00	0.05%	-	-	1,145.00	0.04%
Boomtown Fund II LLC	90,170.00		90,170.00	4.13%	-	-	90,170.00	3.47%
Carlos Hidalgo	-		-	0.00%	20,197.00	-	20,197.00	0.78%
Nic Zangre	-		-	0.00%	118,830.00	-	118,830.00	4.57%
Justin Darcy	-		-	0.00%	10,772.00	-	10,772.00	0.41%
Corey Litwin	-		-	0.00%	67,320.00	-	67,320.00	2.59%
Don Hazell	-		-	0.00%	10,772.00	-	10,772.00	0.41%
Kevin Mongiello	-		-	0.00%	7,002.00	-	7,002.00	0.27%
Eric Bukowski	-		-	0.00%	6,950.00	-	6,950.00	0.27%
Anand Thaker	-		-	0.00%	2,785.00	-	2,785.00	0.11%
ICONYC LABS III LLC	-		-	0.00%	-	41,715.00	41,715.00	1.60%
-	-		-	0.00%	-	-	-	0.00%
-	-		-	0.00%	-	-	-	0.00%
-	-		-	0.00%	-	-	-	0.00%
-	-		-	0.00%	-	-	-	0.00%
Series Seed Investors		601,124.00	601,124.00	27.50%			601,124.00	23.10%
Note Holders		498,395.00	498,395.00	22.80%			498,395.00	19.15%
			-	0.00%			-	0.00%
			-	0.00%			-	0.00%
			-	0.00%			-	0.00%
			-	0.00%			-	0.00%
Sub Total	1,086,315.00	1,099,519.00	2,185,834.00	100.00%	244,628.00	41,715.00	2,472,177.00	95.00%

2016 Equity Incentive Plan		
Available	130,117.00	5.000%
Total	2,602,294.00	100.00%