

**FITACO, INC.**  
**TERMS FOR PRIVATE PLACEMENT OF Series A PREFERRED STOCK**

The following is a summary of the principal terms with respect to the proposed Series A Preferred Stock financing of Fitaco, Inc. , a Delaware corporation (the “**Company**”). Except for the section entitled “Binding Terms,” this summary of terms does not constitute a legally binding obligation. The parties intend to enter into a legally binding obligation only pursuant to definitive agreements to be negotiated and executed by the parties.

**Offering Terms**

***Securities to Issue:*** Shares of a new series of preferred stock of the Company (the “**Series A**”).

***Aggregate Proceeds:*** \$1,000,000 in aggregate new capital.

***Purchasers:*** Accredited investors approved by the Company (the “**Purchasers**”).

***Price Per Share:*** Price per share (the “**Original Issue Price**”), based on a pre-money valuation of \$2,000,000, including an available option pool of 20% of the post-money fully diluted capital of the Company.

***Liquidation Preference:*** One times the Original Issue Price plus declared but unpaid dividends on each share of Series A. A merger, reorganization or similar transaction will be treated as a liquidation.

***Conversion:*** Each share of Series A is convertible into one share of Common Stock (subject to proportional adjustments for stock splits, stock dividends and the like) at any time at the option of the holder. Conversion ratio will be subject to adjustment on a broad-based, weighted average basis in the event of subsequent issuances at a price less than the Original Issue Price (as adjusted) subject to customary

***Voting Rights:*** Votes together with the Common Stock on all matters on an asconverted basis. Approval of a majority of the Preferred Stock required to:

- (i) liquidate or dissolve, including any change of control.

***Documentation:*** This Term Sheet, and the related investment documents, have been prepared using industry-curated documents made available via an automated document generator located at <https://cooleygo.com/seedequity/>. The final documents used will be identical to such documents, except for the modifications set forth in this Term Sheet.

***Financial Information:*** Purchasers who have invested at least \$100,000 (“**Major Purchasers**”) will receive standard information and inspection rights.

***Participation Right:*** Major Purchasers will have the right to participate on a pro rata basis in subsequent issuances of equity securities.

***Board of Directors:*** The Board of Directors will consist of 5 members as follows:

- Holders of Common Stock will have the right to elect three members of the Board of Directors.
- Holders of a majority of Series A will have the right to elect two members of the Board of Directors.

***Expenses:*** Company to reimburse counsel to Purchasers for a flat fee of \$25,000.

***Future Rights:*** The Series A will be given the same rights as the next series of Preferred Stock (with appropriate adjustments for economic terms).

***Key Holder Matters:*** Each Key Holder will have four years vesting beginning December 2, 2023. Full acceleration upon “Double Trigger.” Each Key Holder shall have assigned all relevant IP to the Company before closing.

***Diversity Rider:*** In order to advance diversity efforts in the venture capital industry, the Company and the lead investor, Delicious Ventures, LLC, will make commercial best efforts to offer and make every attempt to include as a co-investor in the financing at least one Black or other underrepresented group including, but not limited to LatinX, women, LGBTQ+ check writer (DCWs), and to allocate a minimum of 10% or \$100,000 of the total round for such co-investor.

***Binding Terms:*** For a period of 30 days, the Company will not solicit offers from other parties for any financing. Without the consent of Purchasers, the Company will not disclose these terms to anyone other than officers, directors, key service providers, and other potential Purchasers in this financing.

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Accepted and agreed as of the latest date set forth below:

**COMPANY:**

**FITACO, INC.**

By: \_\_\_\_\_

Name: Bret Waters

Title: Chief Executive Officer

Date: \_\_\_\_\_

**LEAD INVESTOR:**

[REDACTED]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_