

[Date]

[Company Name]

[Address Line 1]

[Address Line 2]

Re: Non-Binding Summary of Terms for Venture Debt Financing

Dear [Name of CEO/Founder],

This letter summarizes the principal terms under which [Lender Name] ("Lender") is considering providing a venture debt facility to [Company Name] ("Borrower"). This letter is for discussion purposes only and does not constitute a binding commitment to lend.

1. Loan Facility

- **Facility Amount:** \$[Amount]
- **Loan Type:** [e.g., Growth Capital Term Loan]
- **Drawdown Period:** [Number] months from closing.

2. Interest and Fees

- **Interest Rate:** [Rate]% per annum (fixed/variable).
- **Commitment Fee:** [Amount/Percentage] payable upon closing.
- **Final Payment:** [Percentage]% of the principal amount due at maturity.

3. Repayment Terms

- **Amortization:** [Number] months of interest-only, followed by [Number] months of principal and interest.
- **Maturity Date:** [Number] months from the date of the initial draw.

4. Equity Component

- **Warrants:** Lender shall receive warrants to purchase [Percentage]% of the fully diluted capitalization of the Company at an exercise price of \$[Price].

5. Security and Covenants

- **Collateral:** A first-priority perfected security interest in all assets of the Borrower [including/excluding Intellectual Property].
- **Financial Covenants:** [e.g., Minimum Cash Balance / Revenue targets].

6. Conditions to Closing

Completion of this transaction is subject to:

- Satisfactory completion of business and legal due diligence.
- Final approval by Lender's Credit Committee.
- Execution of definitive loan documentation.

7. Non-Binding Nature

Except for the provisions regarding confidentiality and exclusivity (if applicable), this letter is non-binding and creates no legal obligation on the part of the Lender to provide financing.

8. Expiration

This proposal expires on [Date] if not accepted by the Borrower.

Sincerely,

[Name of Signatory]

[Title]

[Lender Name]

Agreed and Accepted:

Signature: _____

Name: [Name of Authorized Representative]

Date: _____