

## INTERIM UNSECURED LINE OF CREDIT AGREEMENT

In consideration of any financial accommodation given, or to be given or continued pursuant to this Interim Unsecured Line of Credit Agreement ("Credit Agreement") by **[Lender]**, a Delaware \_\_\_\_\_ ("Lender") to **[Startup]**, a Delaware corporation ("Borrower"), Borrower hereby represents, warrants, and agrees as follows, unless Lender waives compliance in writing:

**1. Effective Date.** The effective date of this Credit Agreement shall be the date written on the signature page below ("Effective Day").

**2. Credit Amount.** Lender shall loan or make available for Borrower to draw the principal sum set forth on the signature page below ("Credit Line"). Borrower confirms that any and all amounts borrowed by Borrower on the Credit Line ("Advances") received on or after the Effective Date of this Agreement under the Credit Line are subject to the terms of this Credit Agreement. Any request for an Advance may be made from time to time and in such amounts as Borrower may choose; provided, however, any requested Advance will not, when added to the outstanding principal balance of all previous advances, exceed the amount of the Credit Line.

**3. Interest Rate.** Any Advances shall be subject to a fixed rate of interest equal to [Five percent (5.00%)] per year, subject to adjustment as required under U.S. law to be no less than the minimum rate of interest as published from time to time by the Internal Revenue Service. Interest shall accrue in United States Dollars.

**4. Repayment of Credit Line Advances.** Borrower shall repay Lender all outstanding Advances (and all accrued interest on such Advances) under this Credit Line on the last date at the end of the Term (as defined below). If the date for such payment falls on a Saturday, Sunday, or holiday, the date for such payment shall be the next following business day after such Saturday, Sunday or holiday. Should repayment be late, the Advance shall continue to accrue interest at the rate set forth above. There shall be no prepayment penalty should Borrower repay the Credit Line and all accrued interest in advance of the term deadline.

**5. Term.** All outstanding accrued interest and principal under the Credit Line shall be due in full on the six month anniversary of the Effective Date (the "Term"), unless terminated sooner as provided herein.

**6. Assignment.** Lender shall be entitled to assign this Credit Agreement without the consent of Borrower. Borrower shall not be entitled to assign this Credit Agreement or be permitted to allow another lender to assume this Credit Agreement without the written consent of Lender which consent can be withheld by Lender at its sole discretion.

**7. Nature of Business.** Borrower is a Delaware corporation that operates in the technology sector (the "Business").

**8. Purpose of Credit.** Borrower shall maintain the Business as and in the form presently conducted and shall utilize the Credit Line only for the following purposes of the Business: (a) financing the Business; (b) funding of daily operating expenses; and (c) such other matters that in the opinion of management are necessary to carry out the purposes of the Borrower.

**9. Representations and Warranties; Additional Covenants.**

(a) Borrower is a company duly organized, validly existing and in good standing under the laws of Delaware with its principal place of business in California. Borrower has the lawful power to own its properties and to engage in the business it conducts, and is duly qualified and in good standing as a corporation in the jurisdictions wherein the nature of the business transacted by it or property owned by it makes such qualification necessary.

(b) Borrower has full power and authority (corporate and other) to borrow the sums provided for under this Credit Agreement, to execute, deliver, and perform this Credit Agreement, and all other instruments and agreements made in connection herewith.

(c) All action by Borrower, its officers, directors, and stockholders, as applicable that is necessary for the authorization, execution, delivery, and performance of this Credit Agreement has been duly taken.

(d) The officers or representatives of Borrower executing this Credit Agreement are duly and properly in office or acting as representatives and are fully authorized to execute same.

(e) This Credit Agreement has been authorized, executed, and delivered by Borrower, and is a legal, valid, and binding agreement of Borrower, enforceable against it in accordance with its terms.

(f) There is no charter, bylaw, or capital stock provision of Borrower, and no provision of any indenture agreement, or other agreement, written or oral, to which Borrower is a party or which governs the actions of Borrower or which is otherwise binding upon Borrower or Borrower's property, nor is there any statute, rule or regulation, or any judgment, decree, or order of any court or agency binding on Borrower or Borrower's property which would be contravened by the execution, delivery or performance of this Credit Agreement.

(g) There is no action, suit, or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of Borrower, threatened against or affecting Borrower, or any properties or rights of Borrower, which, if adversely determined, would materially impair the right of Borrower to carry on the Business substantially as now conducted or would materially adversely affect the financial condition of Borrower.

(h) No event has occurred and is continuing or would result from the extension of any part of the Credit Line which constitutes an Event of Default as described in Paragraph 10, or which, on the lapse of time or notice or both, would become such Event of Default.

(i) Borrower shall keep books and records in accordance with generally accepted accounting principles, shall deliver to Lender annual balance sheets and income statements within thirty (30) days of its fiscal year. Borrower shall deliver such other financial statements (in form satisfactory to Lender) and such other information as Lender may request from time to time and shall permit a representative on behalf of Lender to examine and audit the books of the Business. Borrower shall inform Lender of any litigation, claim, or other loss contingency involving Borrower, or any other circumstance, the adverse determination of which might substantially prejudice the payment of amounts due in respect of the Credit Line.

(j) Borrower shall pay all of its obligations when due and discharge all of its liabilities when finally determined.

**10. Event of Default and Acceleration.** On the occurrence of any of the following events or circumstances, Lender at its election may terminate any or all commitments, and other obligations of Lender to Borrower and declare all amounts outstanding in respect of the Credit Line to be immediately due after ten (10) days written notice ("Notice Period") of default to Borrower and Borrower fails to cure such default within the Notice Period:

(a) Any failure on the part of Borrower to pay any amounts owing in respect of the Credit Line when due, or any breach or default by Borrower of or under any term, condition, provision, warranty; or representation made herein; or

(b) If Borrower becomes insolvent, is generally not paying its debts as such debts become due, suffers a material adverse change of financial condition, or defaults with respect to any order, judgment, injunction, decree, writ or demand of any court or other public authority; or

All amounts outstanding in respect of the Credit Line shall be in default, and immediately due and payable in full, and all commitments and other obligations of Lender to Borrower shall be terminated, without declaration, demand or notice to Borrower if Borrower:

(a) Makes an assignment for the benefit of creditors; or

(b) Is the subject of any voluntary or involuntary case commenced under the federal bankruptcy laws, as now constituted or hereafter amended, or any other proceeding under other applicable laws regarding bankruptcy, insolvency, reorganization, adjustment of debts or other forms of relief for debtors in any jurisdiction; or

(c) Consents to the appointment of a receiver, trustee, custodian or similar official for substantially all of its property or permits a decree order such appointment to

remain in effect and unstayed for 60 days; or

(d) Is the subject of any dissolution or liquidation proceeding; or

(e) Has issued against it or its property any writ of attachment, execution, or other legal process involving an amount or risk deemed material by Lender; or

(f) Has filed or recorded against it or its property any notice of levy, notice to withhold, or other claim for taxes other than real property taxes not yet delinquent involving an amount deemed material by Lender.

The events described in this Paragraph 10 shall be events of default if such events of default are not cured within the Notice Period.

**11. Due on Sale.** If Borrower should merge with any entity, sell all or substantially all of its shares of capital stock to another entity, or in Lender's discretion dispose of all or substantially all of its assets, such an event shall, at the election of Lender, result in the entire Credit Line, plus accrued interest, becoming due and payable.

**12. Miscellaneous.** On transfer of all or any part of the Credit Line or a participation interest therein, Lender may transfer all or any part of its interests herein. The Credit Agreement benefits Lender's successors and assigns and binds Borrower's heirs, legatees, personal representatives, successors, and assigns. Borrower may not delegate or assign any of its obligations hereunder and may not assert against any assignee of Lender any claim or defense it may have against Lender. This Credit Agreement shall be governed by the laws of the State of California. Titles preceding any paragraph of this Credit Agreement are for convenience only and are not a part of this Credit Agreement. This Credit Agreement shall continue as long as any amounts owing in respect of the Credit Line remain unpaid. Unless otherwise provided in this Credit Agreement, all accounting terms shall be construed in accordance with generally accepted accounting principles consistently applied.

**13. Legal Counsel.** Each party is advised to have this Credit Agreement reviewed by its own independent legal counsel. Execution of this Credit Agreement by Borrower shall conclusively represent that Borrower has either had this Credit Agreement reviewed by its own independent attorney and agrees with all the terms and provisions hereof or that Borrower has waived its right to have this Credit Agreement reviewed by its own independent attorney and agrees with all the terms and provisions hereof.

(Remainder of Page Intentionally Left Blank)

In WITNESS WHEREOF, the parties have executed this Credit Agreement.

Effective Date: \_\_\_\_\_, 2023

Credit Line Principal: \$ \_\_\_\_\_

BORROWER:

LENDER:

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By:  
Title:

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By:  
Title: