

**CONVERTIBLE NOTE FINANCING IN [PORTFOLIO COMPANY]
BY LIFE SCIENCE ANGEL INVESTORS VIII, L.L.C.**

SUMMARY OF TERMS

- Amount of Financing:** Up to \$_____.
- Type of Security:** Convertible Note (the “Note”).
- Interest Rate:** Annual interest rate of 8%, payable at maturity.
- Term; Prepayment** The day that is twelve (12) months following the date of the Note (the “Maturity Date”). All principal and accrued interest under the Note is due and payable on Holder’s written demand after the Maturity Date. The Note may not be prepaid without the consent of the Holder.
- Convertibility:** In the event the Company consummates (prior to receipt of Holder’s written demand for payment) an equity financing with aggregate proceeds to the Company of not less than \$2,000,000 (excluding any and all indebtedness converted), with the principal purpose of raising capital (a “Qualified Financing”), then all principal and accrued interest under the Note shall automatically convert into the equity securities issued in the Qualified Financing. The principal and accrued interest under the Note shall convert at a 25% discount to the price per share of the equity securities issued in the Qualified Financing and on the same other terms as the other investors purchasing the equity securities issued in the Qualified Financing.
- In the event that no Qualified Financing occurs prior to the Maturity Date, investors shall have the option of converting outstanding principal and interest into Series A Preferred Stock at a price per share on customary terms and based on a pre-money valuation of the Company of \$2,000,000.
- Change of Control:** In the event the Company consummates a change of control transaction (prior to receipt of Holder’s written demand for payment) (other than a Qualified Financing upon which the Note is automatically converted), then the Company shall pay to Holder an amount equal to 200% of the outstanding principal and interest accrued under the Note upon the change of control transaction.
- Closing:** _____, 2013
- Definitive Agreement:** The Notes will be issued pursuant to a definitive Note Purchase Agreement containing customary covenants and representations and warranties of the Company.