

CONVERTIBLE PROMISSORY NOTE AGREEMENT

CONVERTIBLE PROMISSORY NOTE AGREEMENT

This **Convertible Promissory Note Agreement** (the "Agreement") is made and entered into as of _____, by and between SHIFT Enterprise Academy, Inc and (the "Borrower"), and _____ ("Lender").

1. Principal and Interest

The Borrower promises to pay to the Lender the principal sum of **Twenty Thousand Dollars (\$20,000)** (the "Principal"), together with interest at the rate of **10% per annum**. Interest shall accrue annually, calculated based on the actual number of days elapsed in a **365-day year**. Accrued interest will be payable upon the earlier of the maturity date or conversion.

2. Term

The Principal and all accrued interest shall be due and payable in full on the earlier of: (a) The occurrence of a **Conversion Event** as defined in Section 3 of this Agreement, or (b) **February 1, 2027**, if the note has not yet converted. If conversion does not occur by this date, the Borrower agrees to repay the Principal and accrued interest to the Lender on or before the Maturity Date.

3. Conversion to Equity

Upon the occurrence of a **Conversion Event**, the unpaid Principal and accrued interest shall automatically convert into equity of **Brisby Development Services** (the "Company") under the following terms: (a) **Conversion Discount**: The Lender shall convert the note into equity at a **20% discount** to the price per share of the next qualified funding round or valuation event. (b) **Valuation Cap**: If the valuation of the Company exceeds **\$3,000,000** (the "Valuation Cap") at the time of the Conversion Event, the conversion will be based on a deemed valuation of **\$3,000,000**, ensuring the Lender receives more equity for their early investment. (c) **Qualified Funding Round**: A **Conversion Event** will occur at the earliest of the following:

- The Company's successful launch of the **East Africa Forward Fund (EAFF)** and commitment of at least **\$1,000,000** in funding for the EAFF;
- A merger, acquisition, or sale of the Company resulting in a transfer of ownership;
- A **successful equity financing** round raising at least **\$500,000** from new or existing investors;
- The receipt of **\$1,000,000** in **institutional funding, government grants, or subsidies** to support expansion. (d) **General Partner Designation**: Brisby Development Services shall serve as the **General Partner** of the East Africa Forward Fund (EAFF), managing its operations and investments.

4. Security and Guarantee

This note is personally guaranteed by **Ethan Brisby**, ensuring repayment of the Principal and accrued interest if conversion does not occur by the Maturity Date. If a Conversion Event does not occur and the Borrower fails to repay the loan in full by the Maturity Date, the Borrower will default under this Agreement, and the Lender may pursue legal remedies to collect the debt.

5. Prepayment

The Borrower may not prepay this note without the Lender's written consent unless prepayment includes the full Principal and all accrued interest. If prepayment occurs, the Lender is entitled to any accrued interest as of the prepayment date.

6. Representations and Warranties

The Borrower represents and warrants that:

- The Company is duly authorized to issue this convertible note;
- The funds raised through this note will be used solely for advancing the goals of **SHIFT Enterprise Academy**, Brisby Development Services, and related ventures;
- The Borrower has the authority to execute and deliver this Agreement and to perform its obligations under it.

The Lender represents and warrants that:

- They understand the investment risks associated with convertible notes, including the risk of the Company's valuation and the timing of a Conversion Event;
- They have received sufficient information about the Borrower and the Company, including the goals of SHIFT Enterprise Academy, Brisby Development Services, and the East Africa Forward Fund, to make an informed investment decision;
- The Lender has not relied upon any representations or warranties other than those specifically made in this Agreement.

7. Events of Default

The occurrence of any of the following events shall constitute an **Event of Default**:

- Failure to pay the Principal or accrued interest when due, and such failure is not cured within **30 days** of written notice from the Lender;
- Breach of any covenant or obligation under this Agreement, which remains uncured for **30 days** after written notice;
- Insolvency, bankruptcy, or liquidation of the Borrower or any material adverse change in the financial condition of the Borrower that impairs its ability to repay the debt.

8. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the **State of Texas**, without regard to its conflicts of law principles.

9. Entire Agreement

This Agreement constitutes the entire understanding between the parties concerning its subject matter and supersedes all prior agreements or understandings, whether written or oral, between the parties related to the subject matter hereof.

10. Amendment

This Agreement may only be amended or modified by a written instrument executed by both the Borrower and the Lender.

11. Assignability

The rights and obligations of the Lender under this Agreement may not be assigned or transferred without the prior written consent of the Borrower, except that the Lender may assign its rights to an affiliate or successor entity.

12. Notices

Any notices or communications under this Agreement shall be deemed duly given if sent by certified mail, return receipt requested, or by email with a read receipt, to the addresses provided by the parties.

13. Miscellaneous

- **Severability:** If any provision of this Agreement is determined to be invalid, the remainder of the Agreement shall remain in full force and effect.
- **Waiver:** The failure or delay of either party to enforce any provision of this Agreement shall not be deemed a waiver of that provision or any other provision.

IN WITNESS WHEREOF:

The parties have executed this Convertible Note Agreement as of the date first written above.

Borrower:

SHIFT Enterprise Academy, Inc

Ethan Brisby, Founder, SHIFT Enterprise Academy and Brisby Development Services

Date: _____

Lender:

Date: _____

Convertible Note Term Sheet

SHIFT Enterprise Academy Convertible Note Term Sheet

Issuer:

SHIFT Enterprise Academy, a nonprofit organization ("Borrower")

Lender:

_____ ("Lender")

Principal Amount:

Up to Twenty Thousand Dollars (\$20,000)

Interest Rate:

10% per annum, accruing annually based on a 365-day year

Maturity Date:

February 1, 2027, unless converted earlier

Use of Proceeds:

Funds will be used to advance the goals of SHIFT Enterprise Academy, including but not limited to operations, program development, and strategic initiatives.

Conversion Terms:

Upon the occurrence of a Conversion Event, the unpaid Principal and accrued interest shall automatically convert into equity of one of SHIFT's for-profit ecosystem businesses, either Brisby Development Services or EJB Enterprises ("Company"), under the following conditions:

1. Conversion Discount:

- The note will convert into equity at a 20% discount to the price per share of the next qualified funding round or valuation event.

2. Valuation Cap:

- If the valuation of the Company exceeds \$3,000,000 at the time of the Conversion Event, the conversion will be based on a deemed valuation of \$3,000,000.

3. Qualified Funding Round:

- Occurs when the Company raises at least \$1,000,000 in funding for the East Africa Forward Fund (EAFF).
- The execution of a joint venture or strategic partnership agreement that results in a capital commitment exceeding \$750,000.
- Receipt of a government grant, institutional funding, or subsidy totaling at least \$1,000,000 to support expansion and growth initiatives.

- The Company successfully closes an equity financing round of at least \$500,000 from new or existing investors.

Security and Guarantee:

The note is personally guaranteed by Ethan Brisby, Founder of SHIFT Enterprise Academy, ensuring repayment of the Principal and accrued interest if conversion does not occur by the Maturity Date.

Prepayment:

Prepayment is not allowed without the written consent of the Lender unless the full Principal and accrued interest are paid in full.

Events of Default:

1. Failure to pay Principal or interest when due.
2. Breach of any covenant or obligation under the Agreement.
3. Insolvency or bankruptcy of the Borrower.

Lender Representations and Warranties:

1. The Lender acknowledges the investment risks associated with convertible notes.
2. The Lender confirms they have received sufficient information about the Borrower and its operations.

Borrower Representations and Warranties:

1. The Borrower is authorized to issue this convertible note.
2. The Borrower affirms funds will be used solely to advance SHIFT Enterprise Academy's mission.

Governing Law:

This Term Sheet shall be governed by and construed in accordance with the laws of the State of Texas.

Entire Agreement:

This Term Sheet is a summary of key terms and does not constitute a binding commitment. A full Convertible Note Agreement will be executed upon mutual agreement.

Signatures:

Ethan Brisby
Founder, SHIFT Enterprise Academy
Date:

Lender:
Date:

WIRE TRANSFER INSTRUCTIONS

WIRE TRANSFER INSTRUCTIONS

Please follow the instructions below to wire the principal amount under the **Convertible Promissory Note Agreement** between **SHIFT Enterprise Academy, Inc** (Borrower) and _____ (Lender).

PAYEE DETAILS:

- **Company Name:** SHIFT Enterprise Academy, Inc.
 - **Bank Name:** JPMorgan Chase Bank, N.A.
 - **Business Address:** 2405 Wilkes Street, Bryan, Texas 77803
 - **Account Name:** SHIFT Enterprise Academy, Inc.
 - **Account Type:** Business Checking
-

WIRE TRANSFER INSTRUCTIONS:

- **Routing Number (for Wire Transfers):** 021000021
 - **Routing number (for ACH Transfer):** 111000614
 - **Account Number:** 690325686
 - **Amount to Wire:** \$
 - **Reference:** [Lender Name] – Convertible Note
-

NOTES:

- For any questions, please contact **Ethan Brisby** on WhatsApp at +19792724145 or ethan.brisby@shiftenterpriseacademy.com .
 - Please notify **Ethan Brisby** once the transfer is complete.
-

IMPORTANT:

Ensure that the information provided is correct to avoid any delays in processing. SHIFT Enterprise Academy is not responsible for any errors caused by incorrect wire details.