



EAST CAROLINA ANGELS

MEMBERSHIP AGREEMENT

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EAST CAROLINA ANGELS

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EAST CAROLINA ANGELS MEMBERSHIP AGREEMENT

This Membership Agreement governs membership in the East Carolina Angels. Please read it carefully and consent to its terms electronically or via paper hard copy when you submit your membership annual dues payment.

BY SIGNING THIS AGREEMENT, I HEREBY ACKNOWLEDGE AND AGREE TO THE TERMS AND CONDITIONS SET FORTH BELOW.

1 East Carolina Angels (“ECA”)

East Carolina Angels (ECA) is focused on return on investment (ROI) for its Members through facilitation of the flow of capital and support from East Carolina University (ECU) alumni and supporters, as well as other angel investors with an interest in investing in high growth startups in eastern North Carolina, the state of North Carolina, and other investment opportunities which may be presented to the membership for consideration.

ECA Members are Accredited Investors.

ECA seeks private companies with the potential for significant growth and financial return. In addition to facilitating investments, ECA leverages the expertise of its management, and the power of the global ECU community and other sophisticated investors to provide guidance and expertise to portfolio companies, as well as in potential operational and leadership roles within portfolio companies to drive revenue generation and exits.

2 Purpose

2.01 – Overall Goal: The purpose of ECA is to provide Members with exposure to venture grade investment opportunities in private companies with ties to the global ECU community, to other North Carolina universities, as well as other fundable, nationally-based companies, and to facilitate the active exchange of information and ideas regarding formation, development, mentoring and financial structuring of private companies.

3 Member Benefits

For all Members remaining in good standing, ECA shall provide:

3.01 – access to the ECA online web portal and software platforms that enable a Member to:

- (i) view investment opportunities in private companies,
- (ii) obtain information and ask questions regarding such investment opportunities in a dedicated and secure environment,
- (iii) track Member investments through select software platforms,
- (iv) learn more about angel investing, venture investments and corporate venturing,
- (v) collaborate with other Members in evaluating investment opportunities, and
- (vii) express interest in investing in such opportunities based on a member’s independent assessments and investment decisions;

3.02 – the ability to express interest in investments facilitated by ECA; provided that in the event that an investment is oversubscribed, ECA will determine an appropriate process for making allocations on a case-by-case basis;

3.03 – the means to communicate and network with other members;

3.04 – from time to time, invitations to ECA, ECU and other events, and opportunities to view company presentations and network with other members and support partners;

3.05 – assistance with the establishment of voting trusts, investment LLCs, and limited management services related to such trust and/or LLCs, and

3.06 – the ability to mentor, assist, and provide temporary operational or leadership assistance to portfolio companies, when needed.

4 Member Application & Termination

- **4.01 – Accredited Investors:** Members must qualify as an “Accredited Investor” as defined below in Section 5.

4.02 – Membership Application and Survey: Each Member must complete a *Membership Application & Survey* and sign the *Membership Agreement* **annually**. These documents include an accredited investor self-certification statement.

4.03 – Application Review & Approval: ECA will review each Membership Application (or renewal) and shall provide the Member with an electronic written response within thirty (30) calendar days of submission of the complete required membership documents.

4.04 – Annual Fee Payment: Membership in ECA requires full payment of the annual membership fee (“Annual Dues”), which a Member must pay immediately upon acceptance. The current Annual Dues has been initially set at two thousand dollars (\$2,000) USD, and is subject to change by ECA.

4.05 – Discretionary Membership; Termination: Membership is subject to annual renewal. Should ECA determine termination or non-renewal of any membership, such Member shall be notified in writing and the Member given thirty (30) days (the “Termination Notice Period”) to submit a written response to ECA. ECA shall consider, in its unfettered discretion, the member’s written response (if any) and provide a final determination within sixty (60) days of ECA’s receipt of the member’s response. The decision of ECA shall be final and not subject to appeal. If the Member does not submit a written response to ECA within the Termination Notice Period, membership shall be deemed automatically terminated at the expiration of the Termination Notice Period. In the event of termination, the Member shall forfeit any Annual Dues paid and future Member benefits; however, any prior investments made by such terminated Member shall remain in place according to those particular investment transactions.

4.06 – Assent to Membership Agreement Amendments: ECA may from time to time amend the terms of this Membership Agreement, and shall so notify all Members in writing. In the event that the terms of this Membership Agreement are amended for any reason, any Member may elect to opt out of the new Membership Agreement within thirty (30) days of receiving notice that the terms of the Membership Agreement have changed. Failure to opt out of the new Membership Agreement shall constitute assent to the revised agreement.

4.07 – Opt-Out of New Membership Agreement Amendments: In the event that a Member elects to opt out of the new Membership Agreement, the Member will no longer be permitted to participate in future investments through ECA. If a Member elects to opt out of a revised Membership Agreement, the Member shall forfeit any Annual Dues paid and future Member benefits; however, any prior investments made by such terminated Member shall remain in place according to those particular investment transactions. Access to the Slack and Seraf platforms will be terminated by ECA, but the Member may have the ability to procure an independent and personal account through Seraf post-termination. For more information, contact Seraf or visit <https://seraf-investor.com/>.

5 Accredited Investor Status

5.01 – Accredited Investor Status: By submitting a *Membership Application & Survey* and/or signing this *Membership Agreement*, an applicant certifies that she/he is an “Accredited Investor,” as that term is defined below.

5.02 – Definition of Accredited Investor: Under Rule 501 of the U.S. Securities and Exchange Commission (the “SEC”), “accredited investor” is defined as:

- (i) “Any natural person whose individual net worth or joint net worth with that person’s spouse at the time of his purchase exceeds \$1,000,000,”
- (ii) “Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of \$300,000 in each of [the two most recent years] and has a reasonable expectation of reaching the same income level in the current year,” or
- (iii) Entities can also qualify as an “Accredited Investor” as defined under Rule 501 of the SEC regulations promulgated under the Securities Exchange Act of 1934, as amended, which defines the requirements for obtaining accredited investor status as an institution, company, or other entity as follows:
 - a. The entity must be a bank, insurance company, small business investment company, or registered investment company.
 - b. A director or general partner of the entity must be in charge of selling the securities.
 - c. The entity must offer an employee insurance plan that falls within the requirements of the Employee Retirement Income Security Act, or have a plan with assets of more than \$5 million U.S.
 - d. All individual owners of the entity must be accredited.
 - e. The entity must have over \$5 million U.S. in assets at the time the investment is being made.

5.03 – Failure to Qualify as an Accredited Investor: In the event that a Member fails to qualify as an Accredited Investor under Rule 501 at any point during his or her membership, the Member shall notify ECA within fifteen (15) calendar days of such non-qualification. MEMBERS WILL NOT BE PERMITTED TO PARTICIPATE IN ANY ECA INVESTMENT OPPORTUNITIES IF THE MEMBER FAILS TO QUALIFY AS AN ACCREDITED INVESTOR UNDER RULE 501.

5.04 – Annual Certification: Certification as an accredited investor shall occur at least annually by completion of the *Membership Application & Survey* and *Membership Agreement* when a Member renews his or her membership.

6 Membership Undertakings

Each Member of ECA shall:

6.01 – Timely pay the Annual Dues set by ECA;

6.02 – Conduct himself/herself in a professional manner at all times; and

6.03 – Provide accurate and complete responses to information requests from ECA.

7 Disclaimer

7.01 – ECA Provides No Advice to Investors: ECA and its employees will not be held responsible or liable for any investment decision made by any ECA member. ECA is not a venture fund, investment bank, broker-dealer, investment clearinghouse, investment portal, investment advisor, tax, accounting or financial advisor, and ECA is not registered with the U.S. Securities and Exchange Commission or any state securities commission. Rather, ECA is a forum in which

Members may discuss various aspects of investment and business, as well as be introduced to companies for potential investment. ECA does not provide advice, recommendation, or any other indication of appropriateness or inappropriateness of a particular investment. **ECA does not and will not endorse any investment opportunity, makes no independent investigation to verify information provided by companies submitting to ECA for presentation or otherwise, and makes no representation or warranty regarding the same.**

7.02 – Investment Risk: Each Member is solely responsible for his/her own independent investment decisions. All investments in entrepreneurial companies involve a high degree of risk, and investors must be able to bear the risk of complete financial loss associated with such investments.

7.03 – Reliance on Information: Whether and how to use any information or knowledge gained through ECA is each member's individual and personal choice. ECA provides no investment guidance, and each Member shall be responsible for that member's use of such information for the purpose of making any investment. All Members recognize and acknowledge that students may participate in some aspect of ECA efforts.

7.04 – Diligence: Each Member shall have full responsibility to conduct due diligence and evaluate the terms of any investment the Member elects to make through ECA. ECA makes no representations or warranties regarding any ECA-affiliated investment opportunity.

7.05 – Participation Rights: ECA membership does not create any right to participate in any particular investment opportunity. ECA has no authority or responsibility to accept or reject an investment by any member. Any company, in its sole discretion, may accept or reject a potential investor, based on the company's sole discretion and judgment as to which investors best meet its needs and subject to other provisions or restrictions that such company may require, including any minimum investment requirements and maximum investment limits. Companies may accept other investors who are not ECA Members and/or syndicate rounds of financing.

7.06 – Liability: In no event shall ECA or any of its employees, board directors, affiliated students or executive officers be liable under this *Membership Agreement* to any Member or any third party for consequential, incidental, indirect, exemplary, special, punitive or other damages, including any damages related to investment activity whether or not such damages were proximate or foreseeable. Notwithstanding anything herein to the contrary, in the event that ECA is determined to be liable to any Member or third party for any reason, the Member agrees that the aggregate liability of ECA will not exceed the Annual Dues paid by the Member during the calendar year in which any such liability may have occurred.

7.07 – Cause of Action: No Member shall have any cause of action, and each Member hereby irrevocably waives any cause of action that such Member may have, known or unknown, now or in the future, against ECA relating to such ECA-related activities, information sharing, company investment presentation, or any actions taken by other Members of ECA which are related to ECA or the activities contemplated by this Membership Agreement.

8 Confidentiality

8.01 – Confidentiality: Members may receive confidential information about the business affairs, products or services, intellectual property, trade secrets, third-party confidential information, or other sensitive aspects of companies considered for investment (collectively "Confidential Information"). Confidential Information shall *not* include information that is: (i) publicly available at the time of disclosure or subsequently becomes available without violation of an obligation of confidentiality, (ii) expressly non-confidential, (iii) known by the Member before a disclosure, or (iv) developed by the Member independently, as evidenced through written materials.

8.02 – No Disclosure: No Member shall disclose or use Confidential Information for any purpose other than ECA investment activity, which activity may include conferring with a member’s investment advisors, or other members. Each Member will use the same degree of care, but no less than a reasonable degree of care, as the Member uses with respect to its own information of a similar nature to protect the Confidential Information and to prevent: (a) any use of Confidential Information in violation of this Agreement; and/or (b) any communication of Confidential Information to any unauthorized third party. Upon ECA’s request, a Member will promptly return or destroy all copies of Confidential Information (including all notes, summaries and abstracts thereof) and certify to ECA that such Confidential Information has been returned or destroyed.

8.03 – Permitted Disclosure: Members may only disclose Confidential Information as set forth above or pursuant to applicable federal, state or local law, regulation, or a valid order issued by a court or governmental agency of competent jurisdiction after first notifying ECA of such order in writing.

8.04 – Member Information: Members shall not publicly disclose any information about other Members without the express consent of such members.

9 General

9.01 – Assignment: This Membership Agreement is binding and for the benefit of ECA and its Members only. A Member may not assign his or her rights under this Membership Agreement to any other party, without the written approval of ECA.

9.02 – Jurisdiction: This Membership Agreement and all related documents, including any and all exhibits attached hereto, are governed by, and construed in accordance with, the laws of the State of North Carolina excluding its conflicts of law principles. Subject to the provisions of Section 9.03, each Member irrevocably and unconditionally agrees that she/he will not commence any action, litigation, or proceeding of any kind whatsoever against any other party in any way arising from or relating to this Membership Agreement in any forum other than the United States District Court for the Middle District of North Carolina or the courts of the State of North Carolina. Each Member hereby consents to the personal jurisdiction of such courts and waives, and agrees not to plead or to make, any claim that any such action or proceeding brought in such courts has been brought in an improper or inconvenient forum.

9.03 – Mandatory Arbitration: All claims and disputes arising under or relating to this Membership Agreement are to be settled by binding arbitration in Raleigh, North Carolina. The arbitration shall be conducted on a confidential basis pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Any decision or award as a result of any such arbitration proceeding shall be in writing and shall provide an explanation for all conclusions of law and fact and shall include the assessment of costs, expenses, and reasonable attorney’s fees. Any award declared during arbitration may be confirmed in a court of competent jurisdiction.

9.04 – Entire Agreement: This Membership Agreement constitutes the sole and entire agreement of the parties with respect to the subject matter hereto and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to the subject matter. No party may rely on any statement, representation, warranty or agreement of the other party or of any other person acting on such party’s behalf, including any representations, warranties, or agreements arising from statute or otherwise in law, except for the representations, warranties, or agreements expressly contained in this Membership Agreement.

9.05 – Electronic Signatures: Each Member agrees that the electronic signature, whether digital or encrypted, of the Member and of an authorized representative of ECA included in this Membership Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature. “Electronic signature” means any electronic sound, symbol or process

attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

9.06 – Notice: Members and ECA shall deliver all notices, requests, consents, claims, demands, waivers and other communications under this Membership Agreement in writing and addressed to the other party at the address set forth in the online investment portal used by ECA. ECA shall deliver all notices by email, facsimile, postal mail or personal delivery to the member's address as specified in the Membership Application.

9.07 – No Waiver: No waiver by either ECA or any Member of any breach by the other of any condition or provision of this Membership Agreement with regard to any other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by any party in exercising any right, power or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. No waiver under this Membership Agreement is effective unless it is in writing, identified as a waiver to this Membership Agreement and signed by an authorized representative of the party waiving its right.

9.08 – Counterpart: This Membership Agreement may be executed in one or more counterparts, each of which is an original, and all of which together constitute only one agreement between the parties. The signatures of all the parties do not need to be on the same counterpart to be effective. Delivery of an executed counterpart by any means has the same effect as delivery of an executed original of this Membership Agreement.

9.09 – No Third Party Beneficiary: This Membership Agreement is not intended to benefit any third party and does not confer any rights or remedies to any person or entity other than the parties to this Membership Agreement.

9.10 – Severability: If any term or provision of this Membership Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Membership Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

(Signature Page Below)

IN WITNESS WHEREOF, the parties have executed this Membership Agreement the day and year written below:

EAST CAROLINA ANGELS:

By: _____

Print: Mark S. Wdowik

Title: President & CEO

Date: _____

MEMBER:

By: _____

Printed Name: _____

Title: _____

Date: _____

Upon signing, please scan into PDF format and email to sales@eastcarolinaangels.com, or fax the document to 252.674.1599 at your convenience. For questions, please contact us by phone at 970.631.2757. Thank you for your interest in East Carolina Angels...