

URBANA-CHAMPAIGN ANGEL NETWORK  
MEMBERSHIP AGREEMENT

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**Purpose and Status of UCAN.** The purpose of the Urbana-Champaign Angel Network (“UCAN”) is to provide its members, consisting of accredited investors, (each a “Member” and collectively “Members” or “its Membership”) with exposure to investment opportunities in early stage companies, the majority of which are either located within or doing business in the greater Urbana-Champaign area (an “Issuer”). UCAN’s activities include providing educational and information sharing opportunities and forums whereby Issuers seeking investments present their businesses to members. Member expressly acknowledges that UCAN is not a broker/dealer, investment bank, venture fund, investment clearinghouse, investment portal, or any other form of investment advisor and is not registered with the Securities and Exchange Commission or any state securities commission. UCAN is not selling, offering to sell or solicit an offer to buy any security. UCAN shall not be deemed to create a joint venture or partnership among its Members, or to create any fiduciary duty or any other kind of obligation by, among or between any Members, UCAN or Issuers. However, multiple Members of UCAN may invest in the same Issuer and multiple Members of UCAN may choose to create a separate entity to facilitate investment in an Issuer.

**Membership and Renewal.** Membership in UCAN is a privilege that is extended on a periodic basis to individual accredited investors (“Members”), and is subject to renewal, non-renewal, revocation, termination or suspension by UCAN. Decisions regarding the approval or denial of Membership to any applicant shall be made by UCAN in its sole discretion and any such decisions are final and not subject to appeal. The payment of the Membership Fee and any subsequent Renewal Fees constitutes Member’s acceptance of the terms and conditions contained herein (the “Membership Agreement”). UCAN may, in its sole discretion, modify the terms and conditions of the Membership Agreement from time to time and such modifications shall be binding upon each Member. Member’s sole recourse in the event a Member does not accept any change to the Membership Agreement, is to withdraw from UCAN as provided below.

**Termination of Membership.**

**Automatic Termination.** Membership shall automatically terminate in the event that a member fails to qualify as an Accredited Investor, as that term is defined in Regulation D under the Securities Act of 1933.

**Termination by Member.** A Member may terminate his or her membership in UCAN at any time by providing UCAN with written notice of his or her intent to do so.

**Termination by UCAN.** UCAN may, in its sole discretion, terminate, revoke or suspend the Membership of any Member who:

Violates the terms and conditions of this Membership;

Fails to pay any Membership Fee, Renewal Fee or other required fee;

Fails to disclose a material fact or makes a material misrepresentation in an application for Membership;

Fails to disclose a material fact or makes a material misrepresentation regarding any investment opportunity or other information sharing;

Has or gives the appearance of having a material conflict of interest with UCAN;

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Improperly discloses information presented in confidence to Members or makes or allows to be made any material use of confidential information presented to Members for the benefit of any persons not Members or any entity other than the discloser that is in conflict with any of the interest of other Members, UCAN or the discloser;

Behaves in a manner that materially disrupts UCAN activities or events;

Engages in conduct which reflects poorly upon UCAN;

Solicits or accepts any compensation solely for the purpose of presenting an investment opportunity to, or for raising capital from, the Membership of UCAN; or

Engages in any other behavior that, in the sole judgment of the UCAN is detrimental to the interests of UCAN, the Membership of UCAN or entities associated with or presenting opportunities to UCAN.

Decisions regarding the termination, revocation, suspension or non-renewal of Membership by UCAN are final and not subject to appeal.

**Confidentiality of Information.** Member agrees to treat information concerning Issuers or transactions provided to or received from UCAN or its members as confidential and not to disclose any such information to third parties except to its legal, tax and other advisors for the purpose of evaluating any potential investment opportunities. Member understands that an Issuer may require that a Member enter into a non-disclosure or confidentiality agreement prior to providing Investor with information.

**Member Representations and Warranties.** Member represents and warrants that:

(a) At the time of executing this Membership Agreement and for as long as Member remains a Member of UCAN, Member is and shall remain an accredited investor as defined in Regulation D under the Securities Act of 1933, which defines the same as “Any natural person whose individual net worth or joint net worth with that person’s spouse at the time of purchase exceeds \$1,000,000, excluding the value of a primary residence; OR “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 those years and has a reasonable expectation of reaching the same income level in the current year; and

(b) Member shall to abide by the terms of this Membership Agreement; and

(c) Member shall conduct his or her own analysis and due diligence to determine the appropriateness of any investment he or she makes in any Issuer to which he or she is introduced through UCAN and that the use and manner of utilization of such information is in the sole discretion of the Member; and

(d) all information provided to UCAN in Member’s application is complete and accurate with the knowledge that it will be relied on by UCAN for purposes of satisfying the requirements of applicable law; and

(e) Member shall consult its own attorneys, accountants, investment advisors and/or other professional advisors when considering an investment.

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**Membership Fees.** Member acknowledges and agrees that, in order to offset its costs, UCAN will collect reasonable fees for the services that it renders in connection with organizing and facilitating informational meetings, mentoring presenters, collecting feedback, initial information gathering activities, and other associated activities (the “Membership Fee” or “Renewal Fee”). Currently the initial Membership Fee is \$1,500 and the annual Renewal Fee is \$1,000. These fees may be changed or amended at any time by UCAN, and Member agrees to pay any and all fees when requested by UCAN.

**No Reliance on UCAN.** Member expressly acknowledges and agrees that neither UCAN nor its Members are responsible for and do not endorse any information about Issuers represented at its meetings or provided through other materials. Any information or receipt of information received from UCAN or its Members is not to be construed as advice to invest or not to invest in any transaction. Members will not rely on UCAN or its Members for the content or review of any such information and neither UCAN nor its Members make any representations or warranties, express or implied, about any Issuer. Member understands that he or she is solely responsible for his or her own due diligence investigation of any Issuer.

**Member/Issuer Transactions.** Member expressly acknowledges that any negotiations concerning potential investments (including price, percentage ownership and other terms) and any investment taking place between a Member and Issuer are solely between Member and Issuer and UCAN is not a party to any such transaction nor is it acting as an agent or principal or any other capacity with respect to any such transaction. Member understands and agrees that Member will be making an individual and independent decision, as to the suitability and amount of investment, with respect to any such transaction and is not relying on any recommendation or advice of UCAN or other Members.

**No Rights.** Membership does not create any rights for a Member to participate in any particular investment opportunity that may be the subject of a presentation or other educational meeting. UCAN has no authority or responsibility to accept or reject an investment by any Member in such an opportunity. The Issuer, in its sole discretion, may accept or reject any potential investor and/or set the terms of any such investment. Issuer may accept other investors who are not Members.

**Acknowledgment of Risk.** Member understands that investment in early-stage, private companies entails extreme risk and should be considered only by individuals that can afford to lose their entire investment.

**Disclaimer of Warranties.** UCAN does not make, and hereby expressly disclaims, any representations or warranties regarding any Issuer, any information provided by any Issuer, any information regarding any Issuer provided by any Member, or any statements concerning the advisability or suitability of any investment in any issuer.

**Limitation of Liability.** Member hereby expressly acknowledges and agrees that UCAN shall have no responsibility or liability with respect to the outcome of any investment that Member may choose to make in an Issuer or damages that the Member may suffer in connection with such an investment, whether direct or indirect. Member further expressly acknowledges and agrees that UCAN shall in no event be responsible for any incidental, special, consequential, punitive or exemplary damages (including damages for loss of profit, business opportunity or otherwise), whether or not UCAN has been advised of any such damages, arising out of Member’s participation as a Member of UCAN or in connection with an investment in any Issuer.

**Indemnification.** Member hereby agrees to indemnify, defend and hold harmless UCAN, its affiliates, directors, officers, employees, agents, sponsors and other Members from and against any and all loss, charge, claim, damage, expenses and liability relating to (i) any untrue statement or alleged untrue

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statement by Member in its application for Membership, (ii) any information concerning Issuers or transactions received from UCAN or its other Members, and/or (iii) any investment in an Issuer made by Member.

**Disclosure of Conflicts.** Member agrees to immediately notify UCAN and its Members of any conflicts of interest, such as a compensated advisory role, investment interest, commission or sales based relationship, with or in an Issuer or transaction.

**Relationship to the EDC.** UCAN is a program of the Champaign County Economic Partnership, a Not for Profit Corporation, commonly known as the Champaign County Economic Development Corporation (the "EDC"). Membership in UCAN does not give Members a board seat, office position, or other responsibilities in the EDC.

**Miscellaneous.** The terms and conditions of this Membership Agreement constitute the entire agreement between Member and UCAN and may only be amended or waived in a writing signed by the party against whom such amendment is being enforced. This Membership Agreement shall be governed by the laws of the State of Illinois, without respect to its conflict of laws provisions, and jurisdiction and venue shall only be appropriate in the state and federal courts located in Champaign County, Illinois.

**MEMBER**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_