



Baylor Angel Network

*Ideas. People. Opportunities.*

## Angel Investor Membership & Conduct 2014-2015

### **BAN Board of Advisors**

Bob Brewton, Executive Chairman

Hall T. Martin, Vice Chairman

Bob Browder, Director

Pat Horner, Director

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Bob Knorr, Director

Dr. Bill Petty, Director

### **BAN Administration**

Dr. Terry Maness

Dean Hankamer School of Business

Dr. Kendall Artz

Chairman Management & Entrepreneurship Department

David Reid, Executive Director

Dr. Bill Petty, Director of Academics

## **Baylor Angel Network Membership and Conduct Guidelines**

1. Membership in the Baylor Angel Network ("BAN") is a privilege that is extended on a periodic basis to individual accredited investors ("Members"), and is subject to periodic renewal, non-renewal, revocation, termination or suspension by the Board of Advisors hereafter "Board" or Baylor University hereafter "University".

2. As a condition precedent to grant, renewal or continuation of Membership, it shall be conclusively presumed that a Member has expressly agreed to abide by the BAN Membership and Conduct Guidelines, as they may be modified from time to time by the Board or the University, and to have expressly acknowledged that Membership may be revoked, terminated, suspended, or not renewed by the Board upon the failure of the Member to do so. After any change in the Membership and Conduct Guidelines, each Member must either accept and agree to the amended Membership and Conduct Guidelines or withdraw from BAN. Members will be required to execute a membership agreement prior to becoming a member. In the event the membership agreement is amended by the University, all members will be required to execute a revised membership agreement.

3. The purpose of Membership is to provide Members exposure to investment opportunities in early stage companies located, or doing business, in the region, including specific investment opportunities presented by other Members, and to provide forums for education and active interchange of information and ideas, regarding the formation, development and financial structuring of early stage companies. The prospective investment opportunities are neither offered by nor endorsed by BAN.

4. Members must actively participate in the BAN process to share in the benefits of BAN programs, and to make their participation beneficial to other Members. Members are expected to attend most of the screening and presentation meetings and to regularly invest during BAN membership in companies presented at the presentation meetings.

Members are expected to make a significant contribution to the operation of BAN. This may include actively participating in due diligence, leading an investment opportunity, identifying investment opportunities, and serving on the board of directors or board of advisors of portfolio companies.

Members must disclose any relationship with a presenting company.

5. Decisions regarding approval or denial of Membership to any applicant shall be governed by the Board and the University. All decisions are final and not subject to appeal.

6. 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. BAN 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, based on the issuer's sole discretion and judgment as to which investors best meet its needs, and subject to other issuer's provisions or restrictions, such as minimum investment requirements and maximum investment limits. Issuer may accept other investors who are not Members.

7. Members are responsible for making individual and independent investment decisions, both as to suitability of an investment and as to amount, if any, invested based on their own individual evaluation of the merits of the proposed investment and the adequacy and accuracy of their own due diligence. Each Member agrees that BAN shall have no responsibility for the accuracy, completeness or merits of the information presented or the success or failure of any investment decision made by any Member.

8. Neither BAN nor any Member shall be responsible for any other Member's, due diligence, lack thereof, or reliance thereon. No Member is obligated in any way to share any due diligence with any other Member.

9. In no way shall BAN, however organized, be deemed to create a joint venture or partnership among its Members, or to create between any a fiduciary duty or any other kind of obligation among or between any Members or BAN. Neither BAN nor any Member shall have any responsibility or liability for the decision of any other Member or any issuer with respect to individual participation in any investment opportunity.

10. By execution hereof, each Member expressly agrees that any educational, analysis or facilitation activities that may be done by BAN or any Member, former Member, student, employee, or other associated party will be done only for the convenience of the Member, and each Member shall nonetheless have full responsibility of due diligence with respect to any prospective investment by the Member. Accordingly, except in the case of fraud, a Member shall not have any cause of action against any of the aforementioned parties or Baylor University relating to any BAN related educational activity, information sharing or investment presentation, or other related activity.

11. The Board can suspend, revoke, or terminate the Membership of any Member at any time. Decisions regarding the revocation, termination, suspension or non-renewal of Membership by the Board are final and not subject to any appeal. The sole recourse any Member has over any disagreement with a Board decision, motion or action, regardless of its scope or nature, is to withdraw from Membership in BAN. In case of withdrawal from or termination of Membership, dues for that calendar year will be refunded to such Member, pro rated as of the end of the calendar quarter in which such withdrawal takes place.

Baylor Angel Network members are important resources to Baylor University's Hankamer School of Business, adding depth and breadth of business and industry expertise. Membership may be asked to provide the following services on a volunteer basis:

- Guest lecturing in entrepreneurship classes
- Serving judges in Business School competitions
- Serving as mentors for Business School students
- Providing internship opportunities for Baylor students

#### **DISCLAIMER**

The Baylor Angel Network is a function of the University's 501(c)(3) corporate status administered by the Business School. The name "Baylor Angel Network" belongs to Baylor University and Baylor University shall maintain all legal rights to the name. The administration of the Business School may utilize to the extent it deems appropriate the assistance of a Board of Advisors comprised of members of the Baylor Angel Network. The Board of Advisors is not a governing body of either the Baylor Angel Network or any other group or entity. The Executive Director and any staff of The Baylor Angel Network shall be Baylor University employees.

## Baylor Angel Network Membership Agreement

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

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

To qualify for membership, I agree that:

- I am an accredited investor as defined under Rule 501 of the SEC regulations, 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 his purchase exceeds \$1,000,000"; OR "Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint in come 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."
- I agree to abide by the terms of BAN's Membership and Conduct Guidelines.
- I understand that BAN is not a venture fund, investment bank, broker/dealer, investment clearinghouse, investment portal, or any other form of investment advisor or otherwise, and is not registered with the Securities and Exchange Commission or any state securities commission. BAN does not provide advice, recommendation, or any other indication of appropriateness or inappropriateness for a particular investment. BAN does not endorse any investment opportunity and makes no independent investigation to verify information provided by companies submitting to BAN for presentation or otherwise, and makes no representation or warranty regarding the same.
- I must conduct my own analysis and due diligence to determine the appropriateness of any investment I make in any company to which I am introduced through BAN. As a result, I recognize and agree that neither BAN nor its representatives or agents are responsible or liable for any investment decision I make as a result of being a member of BAN. The choice to use and the manner of utilization of information and knowledge gained through BAN is my individual and personal choice.
- I understand that any purchase of equity or other investment transaction shall be with the respective company, without involvement of, or participation by BAN.
- I understand that BAN meetings are not an offer to sell or solicitation to buy any security by BAN or any other entity.
- Given that one of the goals of BAN members is to provide funding to the Hankamer School of Business Department of Entrepreneurship, please indicate the percentage of profit that you tentatively plan to donate to benefit the business school from your investment in BAN in the blank below.
- I agree to pay the \$1,500 annual membership dues payable to Baylor Angel Network to be mailed to the address below.

### Contact Information Release – Please circle “do” or “do not” for each line.

I do / do not agree to allow BAN to publish my name to other BAN members.

I do / do not agree to allow BAN to publish my email to other BAN members.

I do / do not agree to allow BAN to publish my phone number to other BAN members.

I do / do not agree to allow BAN to publish my name as a member of BAN in newsletters and other publications when marketing BAN.

**Gifts on Exit - I anticipate donating \_\_\_\_\_% of my profits upon exit.**

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

Baylor Angel Network  
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Baylor University  
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