



**New Venture Initiative
Riverhawk New Venture Investment Advisory Board**

The New Venture Initiative (NVI) is a seed-stage venture capital fund created in 2013 to invest in start-ups founded by and/or commercializing technologies and intellectual property developed by UMass Lowell students, faculty and researchers.

The New Venture Initiative will provide venture development services and access to a rich network of resources needed to grow a venture from concept to company, as well as physical space, both lab and office, that meets the needs of early stage technology companies. The NVI will result in increased revenues, improved operational efficiency, and faster growth times in early stage technology companies at UMass Lowell.

We are seeking commitments from select UMass Lowell alumni and affiliates to help us form, lead and grow this initiative. We are asking for cash charitable donations to seed the NVI, as well as ongoing leadership and participation in the UMass Lowell entrepreneurship ecosystem.

Through your donation, you will be recognized as a NVI philanthropic investor and receive a position on the River Hawk New Venture Investment Advisory Board, in which you would advise NVI management in identifying university technologies with “start-up potential,” initiating venture capital investments and launching high performing start-up companies.

In addition, NVI intends to establish an Alumni Angel Network (AAN) to invest alongside NVI in certain investments. As an Advisory Board member, you may have opportunities to participate individually in these co-investment opportunities; conditioned on NVI’s independent determination that co-investment is necessary or desirable, and subject to appropriate conflicts of interest and governance procedures.

NVI’s investments are intended to seed early-stage University spin-outs, and focus on closing the pre-Series A funding gap. NVI’s intention is to seek early liquidity for its investments, based on valuation thresholds, in order to free up cash for further start-up investments. We expect that any AAN investments would remain in the company as customary seed investments. Thus, AAN members and NVI would hold identical initial investments, but with different “up-side” risks and opportunities (actual terms of any investments would, of course, depend on the parties and conditions attendant to each transaction).

Your tax-deductible contribution and, equally important, your commitment to the NVI Advisory Board, will increase the overall number, quality, and culture for start-ups at UMass Lowell.

River Hawk New Venture Investment Advisory Board Summary of Opportunity

- Opportunity: Make a significant charitable donation to UMass Lowell, for the purpose of seeding the NVI and advancing the entrepreneurship ecosystem within and around the University
- Commitment
 - \$50,000 over three years
 - \$25,000 per year
- Board Activities and Responsibilities
 - Two face-to-face advisory board meetings (June and December)
 - Review and feedback of all New Venture Start-Up Projects (prior to investment decision)
 - Voting rights on all investment decisions placed before the board for consideration (simple majority consent)
 - Ability as a member of the board to define investment amount and stipulations (stand-alone with milestones, UMass Lowell angel commitment, or 3rd party match)
 - All investments are structured as convertible debt notes or preferred stock, as negotiated, and will include cash advanced plus UMass Lowell direct expenses (e.g., patent costs)
 - Board members may take NVI company board role if appropriate
- Angel Co-investment Opportunity
 - NVI will establish an Alumni Angel Network (AAN) to leverage and extend its ability to foster UMass Lowell start-ups
 - Co-investment structure:
 - NVI will identify and initially vet technology disclosures made to UMass Lowell's Office of Commercial Venture and Intellectual Property (CVIP)
 - NVI will determine candidates for potential seed investment
 - During the due diligence process, NVI will size the investment and, if it determines that additional investment at the seed stage is desirable and feasible, will provide information to the AAN
 - NVI and CVIP will negotiate the license from UML, if any (UML and individual inventors are expected to participate in license royalties, on customary terms, separate from any NVI investment)
 - AAN members will separately evaluate the opportunity and decide whether to participate, on the terms negotiated by NVI
 - AAN investments will be made either by individuals or by a separate SPE (LLC) to be set up for each portfolio company
 - NVI's investments are intended to feature comparatively early liquidity (e.g., put right at Series B), in order to free up funds for future investments, while AAN investments will "split" at this stage and continue for the longer term
 - All AAN co-investment activity will be subject to conflicts of interest policies and procedures. Membership on the NVI Advisory Board is not a prerequisite for membership in the AAN
 - Investment Advisory Board members will be asked to refrain from making any separate personal investments in NVI portfolio companies (i.e., any personal investments would be made only through the AAF as permitted)

THE UNIVERSITY OF MASSACHUSETTS LOWELL
NEW VENTURE INITIATIVE

River Hawk New Venture Investment Advisory Board

**INDICATION OF SUPPORT FOR THE
NEW VENTURE INITIATIVE**

IT IS MY/OUR INTENTION TO ACCEPT THE ABOVE OFFER BY CONTRIBUTING \$ _____ TO THE NEW VENTURE INITIATIVE WITH \$25,000 AS AN INITIAL PAYMENT. THE INITIAL PAYMENT IS DUE ON OR BEFORE _____, 2013. SUBSEQUENT PAYMENTS ON THIS COMMITMENT WILL BE MADE AS REQUESTED AND NEEDED TO CONTINUE OPERATIONS AND INVESTMENTS. BOARD MEMBERSHIP IS FOR THREE YEARS FROM DATE OF EXECUTION OF THIS AGREEMENT. BOARD MEMBERSHIP MAY BE RENEWED BASED ON EXTENT AND EFFECT OF BOARD MEMBER'S PARTICIPATION DURING THE TERM AS WELL AS ADDITIONAL ANNUAL CONTRIBUTION COMMITMENTS.

I/WE AGREE THAT:

- I [**CHECK ONE**] am _____ am not _____ 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 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."
- I have such knowledge and experience in financial and business matters to be capable of evaluating the relative merits and risks of any investment.
- I intend to participate as a Board member in the activities of UMass Lowell as time and other commitments permit, with the understanding that membership on the NVI Advisory Board is being extended only to those individuals who, because of their business and personal accomplishments and stature, are expected to make significant contributions to the continued development of the UMass Lowell technology and entrepreneurship ecosystem. I understand that the commitment is for a three-year initial term.
- I agree to abide by all policies and procedures of NVI and of the Investment Advisory Board's as may be in effect from time to time, including all bylaws; codes of conduct and ethics; conflicts of interest policies, confidentiality requirements and University policies. As an initial set of expectations, I agree that:
 - I will conduct myself in a professional manner at all times.
 - I will respect the privacy of other members and not provide their name to any third party without their permission.
 - I will keep membership information confidential.
 - I understand and recognize that Advisory Board meetings and communications are focused on investment pursuits and will not solicit another member for business.
 - I will disclose to the group any relationship I have or may have with a presenting company, including any personal gain I may receive from the company.

DONOR

Name: _____

Date: _____

THE UNIVERSITY

Name: _____

Date: _____