



MEMBERSHIP AGREEMENT

1. Overview

The Grand Strand Angel Network, Inc., a South Carolina for profit corporation (“GSAN”) is organized for the purpose of stimulating seed stage capital formation primarily in the broader Grand Strand area of South Carolina through its members. GSAN is a forum for its members to facilitate the introduction of entrepreneurs to potential investors through presentations and other mechanisms, with the intent to encourage potential investments in early-stage companies. GSAN typically convenes as a group on monthly and or quarterly basis to hear investment presentations of pre-seed, seed and early-stage entrepreneurs, to discuss entrepreneurship and capital formation initiatives and objectives, and to foster a greater understanding and collaboration among its members.

2. Member Eligibility

Membership in GSAN is by invitation only, and prospective members must qualify as an accredited investor as defined under Rule 501 of the Securities Act of 1933, as amended (an “Accredited Investor”). Upon due execution of this membership agreement (the “Agreement”) electronically or as otherwise permitted by GSAN by each of GSAN and qualifying individuals invited to apply for membership (the “Member”) along with such Member’s payment of the membership fees, shall create a valid and binding agreement between GSAN and such Member for consideration, the receipt and sufficiency of which is hereby acknowledged, in accordance with the terms of this Agreement.

Membership in GSAN is a privilege, and is subject to non-renewal, revocation or termination. Revocation and termination of membership is in the discretion of the Board of Directors upon the review and recommendation of the Executive Director. Any decision made by the Board of Directors regarding non-renewal, revocation or termination shall be notified to the Member in writing or via email. Any decision by the Board of Directors shall be final and not subject to appeal. Any revoked or terminated membership will result in a prorated reimbursement of annual membership dues paid (on a monthly basis) to such Member (except in the case of a termination initiated by a member, which will not result in any refund), which shall not include reimbursement of the new Member setup fee (described below).

3. Membership Fees

Membership fees are set annually by the Board of Directors. Current fees are set forth on Exhibit A. An invoice for membership fees will be sent upon acceptance of membership and on the annual anniversary of their annual membership of each year thereafter for renewals. All fees are due upon invoice receipt. Unless attending as an invited guest, members may only attend member meetings and access Member materials if dues are paid in the manner set forth above.

Categories of membership exist as shown on Exhibit A. These situations are dealt with on an individual basis. GSAN may either extend or deny membership at the sole judgment of the Board of Directors.

4. Member Duties and Obligations

As a Member of GSAN, I hereby agree to:

- (a) Conduct myself in a professional manner at all times with respect to my membership in GSAN;
- (b) Abide by the terms and conditions of this Agreement and any other policies or procedures applicable to GSAN members, as determined and as may be amended from time to time by the Board of Directors;
- (c) Use reasonable efforts to encourage and facilitate the introduction of potential investments to the other Members;



- (d) Actively participate in reviewing and rating companies when presented, and acknowledging that the evaluation of prospective companies is critical to the success of GSAN;
- (e) Apply my functional and industry expertise to contribute to the evaluation investment opportunities for GSAN;
- (f) Complete a member profile including functional and industry expertise;
- (g) Volunteer to serve on committees, and assist in research on potential investments where I have an interest or when requested based on my functional and/or industry expertise, including, but not limited to:
 - (i) Screening Committee. Screening committee duties involve preparation through the review of documentation provided by the company prior to the screening meeting, participation in question and answer sessions with the entrepreneur and recommend which companies will be invited to general Member meetings for presentations;
 - (ii) Due Diligence Team(s). Diligence team duties involve evaluating prospective investment opportunities either as a team member or as “Due Diligence Lead” whereby the Lead is responsible for serving as a liaison between various constituencies, such as members and/or potential syndicate angel networks;
 - (iii) Education Committee. The Education committee prepares and delivers selected education;
- (h) Use reasonable efforts to recommend prospective members to GSAN;
- (i) Regularly attend GSAN’s monthly meetings;
- (j) Recognize that GSAN meetings and communications are focused on investment pursuits and will not solicit another member for business in the course of GSAN business;
- (k) Respect the privacy of other members and not provide their name to any third party without their permission; and
- (l) Keep GSAN membership information confidential.

5. Member Representations and Warranties

I hereby represent and warrant to GSAN that:

- (a) 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 or spousal equivalent, 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 or spousal equivalent 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;”
- (b) I have such knowledge and experience in financial and business matters to be capable of evaluating the relative merits and risks of an investment;
- (c) I have the full right, power and authority to execute and deliver this Agreement and to perform all of my obligations hereunder;
- (d) My payment of the membership fee(s) and execution of this Agreement shall serve as the acceptance and execution of the terms and conditions of this Agreement. (For memberships that involve more than one individual, an executed Agreement must be entered into by each individual representative);



- (e) This Agreement constitutes my legal, valid and binding obligation and is enforceable against me (and any guests or family members who may seek rights under this agreement relating to my membership in GSAN, including, but not limited to my spouse, heirs and assigns) in accordance with its terms, except as limited by equitable principles or by bankruptcy, fraudulent conveyance or insolvency laws;
- (f) My execution, delivery and performance of this Agreement will not constitute a breach, default or violation of any applicable law, agreement or other obligation to which I am party or otherwise bound;
- (g) No funds that I tender for my membership fee in GSAN or for investment in any company are or will be, directly or indirectly, derived from activities that contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws. Specifically, no contribution or payment made by me to GSAN or any company will cause GSAN or such company to be in violation of the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986 or the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001;
- (h) I understand that each Member of GSAN is encouraged to invest at least \$10,000 in the aggregate per year in one or more potential investment opportunities submitted through GSAN;
- (i) I understand that GSAN is not a venture fund, investment bank, broker-dealer, investment clearinghouse, or any other form of investment advisor or any other advisor, manager or consultant, and is not registered with the Securities and Exchange Commission ("SEC"), any state securities commission or the Financial Industry Regulatory Authority ("FINRA");
- (j) I understand that GSAN does not provide advice, or recommendations, for any particular investment, and that GSAN does not endorse or recommend any investment opportunity and makes no representations or warranties regarding the same;
- (k) I understand that I must conduct my own analysis and due diligence to determine the appropriateness of any potential investment opportunity submitted to me through GSAN, and I will not solely rely on the information provided through my membership in GSAN or solely on the recommendations or investment decisions of other GSAN members in making my own decision regarding whether to invest in a potential opportunity;
- (l) I understand that any investment transaction that I consummate will be at my own risk and without the involvement of or participation by GSAN; and
- (m) I understand that GSAN meetings and other communications are not an offer to sell or solicitation to buy any security of GSAN or any other entity. Any sale or purchase of any investment interest will be a privately negotiated transaction between individual member(s) and entrepreneurs without any remuneration to GSAN, nor does GSAN hold a financial interest in any presenting company.

The foregoing representations and warranties will survive my execution and delivery of this Agreement. I acknowledge and agree that the foregoing representations and warranties may be used as a defense in any actions relating to GSAN or its members, and that GSAN would not be willing to accept my membership application and fees if any such representations and warranties were not true and correct.

6. **Policy on Service Providers**

I understand that the primary reason for membership in GSAN must be motivated by the investment-oriented nature of the group. If a Member wishes to solicit fees for service from a company that was funded through members of GSAN, he or she must inform the Board of Directors of GSAN prior to solicitation, and the funded company must provide a written statement as to the reasons for considering the service provider prior to its engagement. The final determination on whether the service provider may be engaged is subject to the approval of the members that do fund the company.

7. **Conflicts of Interest**

I agree to promptly disclose to the Board of Directors any known connection between myself (or any of my guests or family) and any company under consideration for investment by GSAN's members. This includes, without limitation, any investment, employment, or other engagement with such companies under consideration or with any company within such companies' industry which could reasonably be considered a competitor.

8. **Confidentiality**

I agree to (a) protect, and use reasonable best efforts and to protect, the confidentiality of all proprietary and confidential information of GSAN and its presenting companies, (b) use such proprietary and confidential information solely for the purpose of evaluating investment opportunities submitted through GSAN, and (c) not to disclose, and use reasonable best efforts to cause my affiliates, employees, lenders, accountants, representatives, agents, consultants and advisors not to disclose, such proprietary and confidential information to any other person other than such person's lenders, accountants, representatives, agents, consultants and advisors who are advised of such person's obligations hereunder and who are under a professional obligation to use such information solely for such person's benefit; provided, however, that I may disclose such information to the extent that such disclosure is pursuant to or in connection with a subpoena or court order, any investigation or audit by a governmental authority, any suit or proceeding with respect to this Agreement, or the filing of any tax returns. In all such cases, I will disclose such information only to the extent required to fulfill such purpose or legal requirement. If I become legally compelled to disclose any such proprietary and confidential information, I will promptly notify GSAN of such fact so that it may seek an appropriate remedy to prevent such production and request the person demanding such production to allow GSAN a reasonable period of time to seek such remedy. Notwithstanding my ceasing to be a Member of GSAN, I acknowledge that my obligations under this section will continue and survive. I acknowledge that GSAN may have no adequate means of protecting its rights under this section other than by securing an injunction. Accordingly, in addition to and not in limitation of any remedies available at law, I agree that GSAN is entitled to enforce this Agreement by obtaining a preliminary and permanent injunction and any other appropriate equitable relief. Nothing contained in this Agreement will prohibit GSAN from pursuing any remedies in addition to injunctive relief, including recovery of damages.

9. **Exculpation**

I recognize and agree that neither GSAN nor its directors, officers, members, representatives or agents (each an "Indemnitee") are responsible or liable for any investment decision I make as a result of being a Member of GSAN (or the gains or losses resulting from any such investment decision I make). The choice to use and the manner of utilization of information and knowledge gained through GSAN, as well as any investment decisions made in association with any activities I partake in with GSAN, is my individual and personal choice. I agree (and I agree on behalf of and waive any claim which may be brought by, any guests or family members who may seek rights under this agreement relating to my membership in GSAN, including, but not limited to my spouse, heirs and assigns) not to initiate legal action against GSAN, its directors, officers, members, representatives or agents for any losses, damages, injuries, or liabilities resulting from my participation in any GSAN activity or investment opportunity, including without limitation any investment losses or the loss of any opportunity to invest.

10. Indemnification

I will indemnify GSAN and its directors, officers, members, representatives and agents against, and hold each Indemnitee harmless from any and all liabilities, claims, actions, damages, costs and expenses (including the reasonable attorneys' fees) incurred by any such person arising out of or in connection with my breach of this Agreement or my participation in any GSAN investment opportunity (this hold harmless shall extend to any of my guests or family members who may seek rights under this agreement relating to my membership in GSAN, including, but not limited to my spouse, heirs and assigns).

11. Amendment

This Agreement may be amended only with the approval of the Board of Directors and the undersigned member, provided that the Board of Directors may unilaterally amend this Agreement if the amendment would not materially and adversely affect the member.

12. Member Relationship with GSAN; Power and Authority

This Agreement will not be construed to create a partnership, joint venture, agent-principal or other relationship between GSAN and any member. No Member will have any right or authority, expressed or implied, to commit or otherwise obligate GSAN in any manner. No Member will have any right, power or authority to act for or bind GSAN, make any representations or warranties about GSAN, or determine, negotiate or propose any terms of any agreement or arrangement to be entered into by GSAN.

13. No Transfer of Membership; Binding Provisions

Membership in GSAN is non-transferable, and any attempt to transfer or assign a membership in GSAN will be null and void, provided that this Agreement will otherwise be binding on my heirs, executors, administrators, and representatives.

14. Choice of Law; Venue

This Agreement will be governed by the internal laws and judicial decisions of the State of South Carolina, without regard to the conflict of laws principles thereof. If any party commences a lawsuit or other proceeding or arising from this Agreement, the parties agree that the United States District Court for South Carolina located in Florence, South Carolina will have sole and exclusive jurisdiction over any such proceeding. If all such courts lack federal subject matter jurisdiction, the parties agree that the courts of the State of South Carolina in **Horry** County will have sole and exclusive jurisdiction.

15. Notices

All notices, consents, waivers and other communications required hereunder will be in writing and will be either delivered by hand or mailed by registered or certified mail or by a nationally recognized overnight delivery service, postage prepaid, to a party's address on the signature page hereto. Each such notice or other communication will be deemed to have been duly given and to be effective (a) if delivered by hand, immediately upon delivery if delivered on a business day during normal business hours and, if otherwise, on the next business day, (b) if mailed, on the fourth business day following deposit in the United States mail addressed as set forth above, or (c) if sent by a nationally recognized overnight delivery service, on the day of delivery by such service or, if not a business day, on the first business day after delivery. Notices and other communications that are not required under this Agreement may be transmitted by any means, including e-mail.

16. Further Assurances

At any time or from time to time after the date hereof, I will cooperate in good faith with GSAN and, at its request, execute and deliver any further instruments or documents and take all such further action as GSAN may deem necessary or advisable to carry out the intent of the parties hereunder.



17. Severability

If any provision of this Agreement or the application thereof to any person or circumstance will be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances will not be affected thereby and will be enforced to the greatest extent permitted by law.

18. No Third Party Beneficiaries

This Agreement is not intended and will not convey any rights to persons not party to this Agreement. For the avoidance of doubt, this shall include, but shall not be limited to guests, or family members of any GSAN Member including but limited to spouses, heirs and assigns.

19. Integration

This Agreement constitutes the entire agreement between the parties as to the matters hereunder and supersede all prior conversations, discussions, understandings, representations, or agreements between the parties concerning the subject matter hereof.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date set forth below.

Grand Strand Angel Network, Inc.:

Member:

By: _____

By: _____

Name: Gary Hayes

Name: _____

Title: Executive Director

Date: _____

Date: _____

Address for Notice:

Address for Notice:

6244 Catalina Dr. Unit 1513, North
Myrtle Beach, SC 29582



Exhibit A

2022 Fee Schedule

Standard Membership annual dues: \$1,500.00 per person

Family Membership annual dues: \$2,500.00 (limited to two family members)

Note: Should a member choose to terminate their membership at any time, there is no refund provided for dues previously paid.

COPY ONLY