



Application and Membership Agreement

Enterprise Name
Enterprise Description

Primary Contact Name	Phone	
Sponsoring Individual or Organization (Who will write the check?)	FEIN	
Address	Email	
City	State/Province	State of Incorporation
Country	Postal Code	State ID, if any
Referral source, if any	Relationship to Virginia Tech, if any	

It is our understanding that upon your acceptance of this Application and Membership Agreement and the appropriate initial fee, we will become a Member of VT KnowledgeWorks, and eligible to receive services. Actual services offered are subject to the terms and conditions set out below. Detailed descriptions of the services currently offered are attached for reference.

We further understand that this application implies a binding commitment on our part to participate actively in VT KnowledgeWorks programs.

We acknowledge that all business plans, decisions, or other actions taken by us are our own, and that no advice or counsel provided by or through VTKnowledgeWorks shall be construed to have caused us, our investors, or any other interested party any harm or damage, monetary or otherwise. We expressly waive any claim on behalf of our entity, its investors or any party claiming through us and agree to hold VTKnowledgeWorks and its parent and subsidiaries harmless and indemnify them from all claims, actions or demands which may arise from this relationship and the services provided herein. We also agree to defend, indemnify, and hold harmless VT KnowledgeWorks, its parent, and their members, directors, officers employees, agents, representatives and contractors, from all costs, expenses (including attorney's fees), liabilities, obligations, damages and claims(including, but not limited to any claims for injury to the person or property of any other Member and claims by any governmental authority) arising, directly or indirectly, from the negligence, misconduct or breach of any provision of this agreement by us or by any other person participating in or using the services of VT KnowledgeWorks .

We further acknowledge receipt of the VT KnowledgeWorks policy with regard to confidentiality and protection of intellectual property (also attached).

Conversely, we understand that by your acceptance of our Application and our Initial Fee, you will be committing the resources and energy of VT KnowledgeWorks toward the objective of accelerating the growth of our enterprise.

Signed:

Signature	Title
Printed Name	Date
Sponsoring Individual or Organization	

Deliver to:

Mr. James A. Flowers, Director
VT KnowledgeWorks LLC
2200 Kraft Drive, Suite 1000
Blacksburg, VA 24060

Make check payable to:

VT KnowledgeWorks LLC

Accepted for Membership in **VT KnowledgeWorks LLC**

By _____

James A. Flowers, Director

Date _____

Attachments:

General Terms and Conditions
VT KnowledgeWorks Confidentiality Policy
VT KnowledgeWorks Equity Participation Policy
VT KnowledgeWorks Business Acceleration Services 9-1-2008

General Terms and Conditions

The following events shall constitute defaults by the Company under this Agreement:

1. any amount required to be paid by the Company under this Agreement is not paid at the time and place when and where due;
2. the Company shall fail to comply with any other provision of this Agreement;
3. any petition is filed by or against the Company under any federal or state bankruptcy or insolvency law, or the Company shall become insolvent, or the Company shall make a general assignment of its assets for the benefit of creditors, or a receiver is appointed for a substantial part of the Company's assets, and the Company shall not cure such event within 30 days after receiving written notice thereof from the VTKW.

Upon the occurrence of an event specified above, VT KnowledgeWorks shall have the option to proceed according to any remedies available at law or in equity.

If any provision of this Agreement is illegal, invalid or unenforceable under present or future laws effective during the Term, then it is the intention of the parties that the remainder of this Agreement shall not be affected, and it is also the intention of the parties that, in place of each provision of this Agreement that is illegal, invalid or unenforceable, there be added as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

All rights, powers and privileges conferred under this Agreement on the parties shall be cumulative and not restricted to those given by law.

This Agreement contains the entire agreement of the parties with respect to the subject matter of such agreements. No representations, inducements, promises or agreements, oral or otherwise, between the parties shall be of any force or effect if not set forth in such agreements. No verbal agreement or implied covenant shall be held to vary the provisions hereof. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

No failure of either party to exercise any right of such party under this Agreement, or to insist upon strict compliance by the other party of any obligation under this Agreement, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of such party's right to demand exact compliance with the provisions of this Agreement.

Time is of the essence of this Agreement.

The relationship of the parties under this Agreement is solely that of independent contractors, and no partnership or joint venture between VT KnowledgeWorks and the Company shall arise as the result of this Agreement.

Any notice, demand, request or other communication provided for in this Agreement shall be in writing and shall be effective when delivered personally or three business days after being deposited in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to the address listed in this Agreement or to such other address as may from time to time be designated by notice given to the other party in accordance with this section.

Any amount due to VT KnowledgeWorks from the Company under the provisions of this Agreement which is not paid when due, shall bear interest, at VT KnowledgeWorks's option, at the rate of 12% per annum or the maximum allowed by law from the date due until paid in full. In the event of any controversy, claim or dispute between the parties relating to the subject matter of

this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party its reasonable attorneys' fees and costs.

This Agreement shall be governed by, and construed in accordance with the laws of the Commonwealth of Virginia with regard to the principles thereof concerning the choice of law. Each party hereto irrevocably submits to the jurisdiction of any Virginia state court or any federal court in the Western District of Virginia in any legal proceeding arising out of or relating to this Agreement or any other document, and hereby irrevocably agrees that all claims in respect of such action may be heard and determined in such Virginia state or federal court in the Western District of Virginia.

This Agreement is not assignable by either party without the written consent of the other party. This Agreement and each and every covenant, condition and other provision herein contained shall apply to, be binding upon and inure to the burden and benefit, as the case may be, of the respective heirs, administrators, executors, legal representations, assigns, successors and agents of the parties hereto.

This Agreement may be executed in two or more counterparts, each of which shall be an original but all of which taken together shall constitute one and the same instrument.

VT KnowledgeWorks Confidentiality Policy

People associated with the VT KnowledgeWorks program receive vast amounts of business information, verbally, electronically, and on paper. It is clearly impossible for any individual to maintain a mental catalog by which to preserve clear distinctions among bits of information which might be clearly public, informally private, situationally private, proprietary but not necessarily confidential, and absolutely confidential. Furthermore, the very nature of the networking process by which VT KnowledgeWorks connects individuals and enterprises with each other for their mutual benefit requires relatively open communication among the potentially interested parties. Under these circumstances strict compliance with traditional non-disclosure agreements is simply impractical.

As a consequence, VT KnowledgeWorks has chosen to operate under the following policy guidelines regarding confidentiality and non-disclosure.

1. All VT KnowledgeWorks program participants are expected to exercise good faith and appropriate business restraint in communications involving information concerning any other entity, however that information might have been obtained.
2. Detailed technical information which is not protected by patent (granted or pending) or by similar means and which is vital to the economic welfare of an individual or enterprise will not be accepted by VT KnowledgeWorks for review or re-distribution to third parties.
3. Documents, either electronic or hard-copy, clearly marked "confidential" will not be distributed by VT KnowledgeWorks without the consent and direction of the owner/author of the document; however, it should be expected that incidental information about a company, process, technology, relationship, or strategy obtained by review of such documents might possibly be communicated in the general course of business discussions.
4. VT KnowledgeWorks does not execute common, traditional non-disclosure agreements. The various individuals and enterprises, however, which meet and interact via the VT KnowledgeWorks program, are encouraged to execute among themselves such agreements as they deem necessary under their particular circumstances.

This policy statement will be communicated to all formal program participants and prospective participants and will be posted on the VT KnowledgeWorks web site for public access.

VT KnowledgeWorks Equity Participation Policy

In order to be accepted for incubation space under the VT KnowledgeWorks program a candidate organization will be required to grant a long-term Warrant to the Virginia Tech Foundation, Inc. (VTF) entitling VTF to purchase equity in the candidate in an amount equal to up to 5% of the candidate's first independent third party equity or equity-equivalent offering following the date of the Application for Incubation Space which exceeds \$500,000. The Warrant is in consideration of the considerable investment, both financial and otherwise, made by VTF and its subsidiary, VT KnowledgeWorks LLC and, in the VT KnowledgeWorks facilities and operations.



Business Acceleration Services

VT KnowledgeWorks is a unique growth enhancement program open to entrepreneurs in the New River Valley and beyond. Our acceleration center and incubation facilities are located in the **Virginia Tech Corporate Research Center** in Blacksburg, Virginia.

As a consequence of our geographic reach, our **Members** fall into three self-selected residency groups. There are no differences in the membership services available to these groups.

- **Resident** members occupy office and lab space in the Virginia Tech Corporate Research Center. They enjoy the maximum community benefits by virtue of their physical proximity to other Members. Early-stage Residents may qualify for incubation space.
- **Virtual** members typically reside in or near Blacksburg and work from home(s). They use the VT KnowledgeWorks headquarters facility as a corporate home address but do not occupy private space.
- **Associate** members occupy facilities outside the Virginia Tech Corporate Research Center but take advantage of location-independent program components.

Programs for Members are divided into two categories according to the evolutionary status of the member company: **Pre-Launch** and **Enterprise**.

- **Pre-Launch** category – addresses start-up or re-start issues. The ultimate success or failure of a venture is quite often determined by strategic decisions and assumptions made well before the business is formally launched.
- **Enterprise** category – operating companies and seasoned business leaders share vision, experience, and insight.

Pre-Launch program components are carefully constructed to help market-worthy ventures organize, formulate strategy, obtain outside investment, and launch in an efficient manner. The services provided for **Enterprise** class members emphasize strategic support for organic growth, continuing intra-preneurship, and personal professional development for the corporate leader. All Members have reservation-only access to the Center's **conference facilities**, including the Lakeview Board Room, with its large screen monitor and tele-conferencing hookup.

In addition, the Virginia Tech Corporate Research Center provides 40,000 square feet of office and laboratory **Incubation Space** to VT KnowledgeWorks at a 10% discount from standard VTCRC rates as an added benefit for early-stage Members.

Pre-Launch Services -

- **Initial Concept Consultation** – provides a first filter for the business idea.
- **Founders' Readiness Retreat** – tests the strategic essence of the business concept, tightens up managerial focus, and addresses the unique challenges of entrepreneurship, including *Accounting De-Mystified*.
- **Pre-Launch Strategic Package** –
 - preliminary legal advice
 - financial and administrative set-up
 - 12 monthly meetings with a seasoned professional mentor
 - consultation with a Pamplin College of Business Strategic Fellow
 - introduction to an Entrepreneur-in-Residence
 - strategic review by a panel of business and financial veterans
 - banking services primer
 - commercial insurance offerings overview
 - options for intellectual property protection
 - human resources – issues and answers
 - public relations tips
 - introduction to audits
 - the company's first logo
 - business cards
 - local and regional start-up press releases
 - Founders' Retreat is a pre-requisite
- **Running Start Financial Support** –
 - Available to selected very early stage ventures
 - Market rate loans with deferred payback terms
 - Only corporate (no personal) assets as collateral
 - Simple, white-paper style application process

- **Virginia Tech Business Technology Center Strategic Studies –**
 - **Market Opportunity Assessment:** a formal examination of end user needs, structural characteristics, and potential size of a selected market segment (starting at \$2,500; typically complete 6 weeks after agreed-upon start date)
 - **Competitive Analysis:** a comparison of proposed products with competitors and substitutes addressing the same targeted end user needs (starting at \$1,500; typically complete 4 weeks after agreed-upon start date)
 - **Launch Feasibility Bundle:** a Market Opportunity Assessment plus a Competitive Analysis (starting at \$3,500; typically complete 6 weeks after agreed-upon start date)
 - **Financial Projections Model:** a spreadsheet-based model that projects cash flows and investment capital requirements implied by various strategic options, such as product/service design, pricing, promotion, distribution, and company structure (starting at \$3,000; typically complete 6 weeks after agreed-upon start date)
 - **Intellectual Property Review:** a non-legal assessment of the patent landscape for the proposed products and a review of market entry strategies appropriate to the observed situation (starting at \$1,000; typically complete 4 weeks after agreed-upon start date)

Enterprise Services -

- **Presidents' Council** – permanent, moderated groups of 10-12 Presidents, CEOs, general managers, and business owners who meet monthly throughout the year to share leadership experiences and wisdom in an atmosphere of confidentiality, trust, and openness.
- **Operating Review Package** - 12 monthly meetings with a seasoned professional mentor, to provide consistent critical review and recommendations regarding progress toward strategic milestones.
- **AttainCI Market Intelligence Packages –**
 - 24/7/365 live tracking and alerts on your company and your competitors, prospects, markets, etc.
 - web marketing analytics for your company and your competitors
 - on-demand, real-time research on companies, markets, and people
 - two options: Essential Intelligence Package or Advanced Intelligence Package

- **VT KnowledgeWorks Website Presence –**
 - member profile with click-thru to member website
 - quarterly blog mention
- **Virtual Residency –**
 - real street address for virtual companies
 - highly flexible phone system

Incubation Space –

- discounted office and laboratory space for emerging companies
- program standard furniture, plus all typical office needs such as phone, internet, supplies, and copying
- all CRC tenant amenities also apply, including minimized property taxes

In addition to standard VTCRC policies, rules, and regulations, the following terms and conditions apply to tenancy in this space.

- Occupancy of this space is subject to formal application and acceptance under the following criteria:
 - The company must be a VT KnowledgeWorks Member in good standing.
 - The company must be a separately incorporated, free-standing entity, not a division of some larger company.
 - The company must be financially able to pay rent on a regular basis.
 - The company's business plan must be documented and acceptable to the Director of VT KnowledgeWorks.
 - The company's local senior executive must participate in a VT KnowledgeWorks Presidents' Council, subject to the then-current fees for Members.
- The total space available to any single company under this program is 3,000 rentable sqft. More space may be rented, but the rent discount will not apply beyond 3,000 sqft.
- The maximum time that the discount will apply is three years from first occupancy.
- The VT KnowledgeWorks Equity Participation Policy applies to all companies renting under this program.