



Dear ATI Company Executive,

The Entrepreneurs Foundation of Central Texas (the "Foundation") is an organization that exists to leverage the strength of the local technology sector to benefit the community-at-large. We make it possible for early stage companies to allocate private equity while it is priced low to create a future source of cash for corporate philanthropic giving that doesn't impact future company earnings or operating cash. Since 1999, more than 250 early stage companies in Central Texas, including more than 70% of the local venture capital-backed companies, have donated equity to be able to share the upside of their business successes with the community. A company joins the Foundation by donating stock, stock options or warrants. No matter what type of equity companies choose to donate, the primary benefit is being able to create a nest egg to eventually support the community without impacting corporate earnings or operating cash. The earlier a company takes advantage of this unique financial vehicle, the greater the upside is for the company and for the community.

We have partnered with the Austin Technology Incubator ("ATI") to create a process for ATI companies to take advantage of our financial vehicle and other services and be able to give something back to the University of Texas (the "University"). The process is simple. We provide the necessary documents and administrative support. We will liquidate donated equity from ATI companies when it has cash value and then distribute ninety percent ([90]%) of the proceeds to the University in the successful company's name. We will retain ten percent ([10]%) of the proceeds to support our operations. Besides managing the financial vehicle, we coordinate and promote corporate giving and community involvement activities on an ongoing basis for interested donor companies, and we hold recognition, networking, and educational activities for all our donor companies, including ATI companies. You may choose to set aside additional equity through the Foundation to be able to support other philanthropic causes of interest to you or members of your team.

Please review the materials and checklist we're providing with this letter, and contact us with any questions. You should complete and return the following executed items as soon as possible:

- Donor-Designated Fund Agreement
- Restricted Stock Agreement (or Warrant or Stock Option Agreement if you intend to contribute warrants or options)
- Officer's Certificate certifying information for ATI's use
- Board Resolutions approving the contribution of equity to the Foundation

We have document templates to handle just about any type of equity grant that you choose to use. (Note: if you have not yet solidified your company's capital structure, you may execute a Promissory Agreement in lieu of the items referenced above, signifying your intention to complete your grant once the company's capital structure has been established). When you have completed your paperwork, please let us know so we can get signatures and ensure the documents are properly completed. Thank you, and again, don't hesitate to contact us with any questions you have. We are thrilled to have you become part of this effort and look forward to working with you.

THE ENTREPRENEURS FOUNDATION OF CENTRAL TEXAS

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Checklist for ATI Companies Donating Equity

- ✧ Company determines what type of equity (stock, warrant, or stock option from an option plan) it plans to donate to benefit UT as part of ATI agreement.

___ Donor-Designated Fund Agreement (or Promissory Agreement)

- ✧ Donor-Designated Fund Agreement (or Promissory Agreement) is signed and submitted for Foundation signature. Note: Promissory Agreement should only be used if capital structure is not yet in place. Equity documents will be expected once capital structure is established.

___ Officer's Certificate

- ✧ Officer's Certificate is executed, with copies of Certificate of Incorporation (for Delaware corporation) or Articles of Incorporation (for Texas corporations), along with a capitalization table, attached thereto.

___ Board Resolutions

- ✧ Donation of stock, warrants or stock options requires board approval in order to be properly authorized (template provided for Delaware and Texas corporations). An executed a copy of the board resolutions approving the grant should be included with other paperwork submitted.

___ Equity Grant Documents

- ✧ Equity documents (e.g., Restricted Stock Agreement, Warrant or Stock Option Agreement from a stock incentive plan) are signed and submitted for Foundation signatures after board approval. Note: Warrants and Stock Options should contain net exercise provisions.
- ✧ Note: if Company intends to grant stock options from a stock incentive plan, the stock options should be fully vested and immediately exercisable, and the Company should provide a copy of the stock incentive plan.
- ✧ If common stock is issued, the stock certificate is issued after board resolution is passed, and the original stock certificate is provided to Foundation.