

April 7, 2021

PRIVATE AND CONFIDENTIAL

[Insert names of students/recipients]

[Insert addresses if you want, or just names/emails if sending by email]

Re: *Letter of Intent*
Simple Agreement for Future Equity (SAFE)

The Board of Trustees of the University of Illinois, a body corporate and politic of the State of Illinois (“Investor”), through the Grainger College of Engineering at the University of Illinois at Urbana-Champaign, is pleased to propose the investment of \$[AMOUNT] (“Purchase Amount”) in a business organization to be formed by [Insert names of students/recipients] (collectively, “Recipients”), subject to the terms and conditions of this Letter of Intent.

1. **SAFE and Pro Rata Agreement.** Investor’s obligation to invest the Purchase Amount is conditional on Company (as defined below) and Investor entering into a Simple Agreement for Future Equity substantially in the form of Exhibit A (“SAFE”) and an agreement for pro rata equity purchases (“Pro Rata Agreement”) on or before six (6) months from the effective date of this Letter of Intent.
2. **Formation of the Company.** As a condition precedent to Investor entering into the SAFE, Recipients must form a corporation or limited liability company (“Company”). Company must have:
 - (a) The exclusive purpose of carrying on the business of Recipients consisting of [DESCRIBE BUSINESS] (“Business”), where Investor has sole discretion to withdraw the offer of investment and terminate this Letter of Intent if Business has changed from what is stated, or in accordance with Section 3 below.
 - (b) Rights to all intellectual property, or can demonstrate access to all intellectual property on commercially reasonable terms, required to conduct the Business.
 - (c) At least the team lead (as listed on the application) join or hold ownership in Company.

Investor and Recipients will endeavor to close on the SAFE and fund the Purchase Amount as soon as practicable, but in no event no later than forty-five (45) days following satisfaction of all conditions to the closing set forth in this Letter of Intent and in the SAFE.

3. **Termination.** If Company has not entered into the SAFE with Investor within six (6) months after the effective date of this Letter of Intent, then this Letter of Intent shall be void and Investor shall have no obligation to enter into the SAFE or to provide the Purchase Amount. Investor may terminate this Letter of Intent with notice to Recipients

and will have no further obligation to either close on the SAFE or fund the Purchase Amount if Investor determines there has been a material change to the nature of the Business as described in this Letter of Intent or to the prospects of Company.

4. **Access to Information.** To enable Investor to monitor the potential transaction contemplated in this Letter of Intent, Recipients and Company, when formed, will provide Investor and its representatives with reasonable updates on the progress and status of the formation of Company and prospects of the Business, together with access to all books, records, and properties relating to the Business, including bylaws and operating agreement.
5. **Expenses.** Each party shall pay its own expenses and costs incidental to the completion of the transactions contemplated by this Letter of Intent, including legal fees.
6. **Exclusive Dealing.** In consideration of Investor's investment proposal set forth in this Letter of Intent, Recipients, Company (when formed), and each of their representatives and agents will not, directly or indirectly, initiate, solicit, offer, or enter into any proposal or agreement with respect to an equity investment in the Business or Company, or another investment similar to the investment proposed by Investor in this Letter of Intent, unless Investor otherwise agrees in advance in writing. The obligation of Recipients and Company under this Section 6 terminates upon the earlier of the closing under the SAFE or termination of this Letter of Intent pursuant to Section 3 above.
7. **Non-disclosure; Publicity.** Neither party shall, without the prior written consent of the other party, disclose to any third party the terms and conditions of this Letter of Intent, except (i) to the extent required by law, or as necessary to consummate the transaction contemplated in this Letter of Intent; (ii) to potential employees, financing sources, or other potential investors who are bound by a duty of confidentiality; or (iii) to professionals retained by such party in connection with this transaction who are bound by a duty of confidentiality.
8. **Acceptance; Amendment.** This Letter of Intent is effective only if countersigned by Recipients and delivered to Investor before 5 p.m. (Central Time) on [DATE], 2020 ("Deadline"). The effective date of this Letter of Intent shall be the date countersigned by Recipients. If Recipients do not deliver the countersigned Letter of Intent to Investor on or before the Deadline, the investment proposal presented in this Letter of Intent is automatically withdrawn as of the Deadline. This Letter of Intent may be modified only by a writing signed by each party's authorized signatory.
9. **Governing Law.** This Letter of Intent shall be construed by application of Illinois law without regards to its conflict of laws rules.
10. **Letter of Intent.** This Letter of Intent creates no rights in favor of any third parties except as specifically set forth herein and subject to the terms and conditions set forth herein.

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If the foregoing is agreeable, kindly sign the enclosed counterpart of this Letter of Intent and return the same to the undersigned to evidence our agreement.

Sincerely,

The Board of Trustees of the University of Illinois

By: _____
Name: Avijit Ghosh
Title: Comptroller

Accepted and Agreed
_____, 2020

RECIPIENTS

By: _____
Name:
Title (if any):

EXHIBIT A

SEE ATTACHED