

## GRANT AGREEMENT

**THIS GRANT AGREEMENT** (this "Agreement") is effective as of the \_\_\_ day of \_\_\_\_\_, 201\_ (the "Effective Date"), by and between the **Maryland Technology Development Corporation** ("Grantor" or "TEDCO"), a body politic and corporate and a public instrumentality of the State of Maryland, and \_\_\_\_\_, a [Maryland/Other State] [corporation][limited liability company][limited partnership] ("Grantee").

### Recitals

A. TEDCO has joined with the National Institute of Standards and Technology ("NIST") to carry out the NIST Science and Technology Entrepreneurship Program ("N-STEP" or the "Program"). Through N-STEP, TEDCO and NIST intend to provide opportunities for motivated researchers to build upon the experience gained while working at NIST as they explore entrepreneurial careers. The Program is focused on commercialization of research that has been done at NIST by Guest Researchers, researchers previously employed by NIST, and current employees nearing the end of their term employment at NIST, including but not limited to NIST Post-Doctoral Fellows, interested in forming companies to independently pursue further translational research and development. Technologies of interest are those related to NIST's mission, so that the technologies can be commercialized as products or services to benefit the public.

B. TEDCO has approved the award of grant funds ("Grant Funds" or the "Grant") to Grantee, to be disbursed to Grantee in accordance with this Agreement.

**IN CONSIDERATION** of the foregoing and the mutual promises and covenants contained in this Agreement, Grantor and Grantee agree as follows:

1. Purpose. The purpose of this Grant is to provide the Grantee with funds to help enable it to carry out the project detailed in, and pursuant to the budget included in, the attached Exhibit A (the "Project").

2. Grant. Grantor agrees to provide Grantee with funds in an amount not to exceed One Hundred and Twelve Thousand and 00/100 Dollars (\$112,000.00), to be used only for expenses directly incurred in connection with the Project ("Eligible Expenses") and during the period beginning with the Effective Date and ending on or before [\_\_\_\_\_, 201\_] [\_\_\_\_ (\_\_) months after the Effective Date] (the "Funding Period").

3. Disbursement of Grant. (a) Subject to the continuing availability of funds, Grantor will disburse the Grant Funds to Grantee as follows: (i) a sum equal to

\$\_\_\_\_\_ upon execution of this Agreement; (ii) a sum equal to \$\_\_\_\_\_ upon Grantee reaching the mid-Project milestone specified in Exhibit A and providing to Grantor a status presentation, a Milestone Report (as defined in Section 4(a)(i) below) and a request for payment, all in the format and enclosing the documentation specified in Exhibit B; and (iii) a sum equal to the remaining unpaid balance of the Grant Funds upon receipt and approval by Grantor of Grantee's Comprehensive Final Report and final Payment Request, which shall be submitted no later than 30 days after the end of the Funding Period. The Grantee shall submit such additional documentation of any Payment Request as Grantor may reasonably require.

(b) Grantor may withhold disbursement of all or any portion of the Grant Funds if Grantee has failed to satisfy any requirements imposed on Grantee under this Agreement or under any other agreements between Grantee and Grantor or NIST.

4. Reports. (a) Grantee shall submit to Grantor the following reports:  
(i) Mid-Term Milestone Project Report. A mid-term milestone project report which shall detail Grantee's accomplishments related to the proposed specific aims in, and its progress made towards completing the Project as set forth in, Exhibit A, in the format specified in Exhibit B ("Milestone Report"). The Milestone Report shall be submitted contemporaneously with a Payment Request. A mid-term progress presentation will also be provided before the payment is issued.

(ii) Annual Impact Statement. Beginning one year after Project completion and continuing for three (3) successive years, Grantee shall submit to Grantor an annual impact report in the format and containing the information specified in Exhibit C (the "Annual Impact Statement").

(b) Comprehensive Final Report and Meeting. No later than thirty (30) days following the end of the Funding Period, Grantee shall submit to Grantor a comprehensive final status report which shall detail all progress made towards completing the Project as set forth in Exhibit A, in the format specified in Exhibit D (the "Comprehensive Final Report"). Upon request, Grantee shall also meet with representatives of the Grantor and NIST at a time and place to be designated by Grantor, to assess Grantee's performance under this Agreement.

(c) Grantee shall also submit such other reports or information as Grantor may from time to time require.

(d) Grantor agrees to hold Grantee's application (as set forth in Exhibit A) and the contents of Grantee's reports as required by Subsections (a)-(c) hereof in confidence to the extent reasonably permitted by Title 4 of the General

Provisions Article of the Annotated Code of Maryland. Notwithstanding the foregoing, Grantor shall not be obligated to maintain in confidence any information: (1) which was already known to Grantor; or 2) which is or comes into the public domain through no fault of Grantor; or 3) which is independently developed by Grantor; or 4) which comes to Grantor from a third party which is not in violation of any obligation of confidentiality to Grantee or Grantor.

5. Expenditure of Grant Funds. All expenses to be financed with the Grant Funds shall be incurred during the Funding Period. Grantee shall expend Grant funds only for the Project.

6. Inspection of Records. Grantee shall allow any duly authorized representative of Grantor, or NIST to inspect and audit, at reasonable times and upon reasonable notice, all records and documents of the Grantee relating to this Grant, which records shall be retained by Grantee for at least three (3) years after the termination of all Grantee's duties under this Agreement.

7. Compliance with Applicable Law. Grantee agrees to comply with all applicable federal, State, and local law.

8. Fair Practices Certification. Grantee certifies that it prohibits, and covenants that it shall continue to prohibit, discrimination on the basis of: (i) political or religious opinion or affiliation, marital status, race, color, creed, or national origin; or (ii) sex or age, except when age or sex constitutes a bona fide occupational qualification; or (iii) the physical or mental disability of a qualified individual with a disability.

9. Grantee's Certifications. As an inducement to Grantor to make the Grant, Grantee hereby certifies and warrants to Grantor that:

(a) Grantee has all requisite power and authority to enter into this Agreement.

(b) This Agreement has been executed and delivered by Grantee in such manner and form as to comply with all applicable laws to make this Agreement the valid and legally binding act and agreement of Grantee.

(c) Grantee has a legally sufficient and binding Cooperative Research and Development Agreement, Patent License Agreement, Commercial Test Agreement or other agreement with NIST, as needed, for the advancement of the research goals contained in Exhibit A.

10. Amendment. This Agreement, or any part, may be amended from time to time only in writing executed by the parties.

11. Assignment. Without the prior written approval of Grantor, Grantee may neither assign all or any of the benefits of, nor delegate all or any of the duties imposed by, this Agreement.

12. Default. A default shall consist of any breach of any of Grantee's covenants, agreements, warranties or certifications in this Agreement, which breach is not cured within 15 calendar days from the date of written notice of the breach from the Grantor.

13. Remedies Upon Default.

(a) Upon the occurrence of any default as described in paragraph 12, Grantor shall have the right to terminate this Agreement by written notice to Grantee. In the event of termination, Grantee shall be obligated to repay to Grantor within thirty (30) days of receipt of written notice of default, all Grant Funds which have been disbursed to Grantee, and Grantee shall have no right to receive any undisbursed Grant Funds.

(b) In addition to the rights and remedies contained in this Agreement, Grantor may at any time proceed to protect and enforce all rights available to Grantor by suit in equity, action at law, or by any other appropriate proceedings, which rights and remedies shall survive the termination of this Agreement.

14. Indemnification. Grantee releases Grantor and NIST from, agrees that neither they nor any of them shall have any liability for, and agrees to protect, indemnify and save harmless Grantor, NIST, or any of them from and against, any and all liabilities, suits, actions, claims, demands, losses, expenses and costs of every kind and nature incurred by or asserted or imposed against them or any of them as a result of or in connection with the Grant. All the money expended by Grantor and/or NIST as a result of such liabilities, suits, actions, claims, demands, losses, expenses or costs, together with interest at a rate not to exceed the maximum interest rate permitted by law, shall constitute an indebtedness of Grantee and shall be immediately and without notice due and payable by Grantee to Grantor and/or NIST, as the case may be.

15. Effective Date. This Agreement shall be accepted and executed by Grantee and forwarded to Grantor. Grantor will then execute this Agreement. The effective date of this Agreement shall be the date first above written.

16. Entire Agreement. This Agreement and the exhibits incorporated herein represent the complete, total and final understanding of the parties, and no other understanding or representations, oral or written, regarding the subject matter of this

Agreement, shall be deemed to exist or to bind the parties hereto at the time of execution.

**WITNESS** our hands, as of the date first above written.

**WITNESS:**

**GRANTEE**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**WITNESS:**

**GRANTOR**

\_\_\_\_\_

By: \_\_\_\_\_

John M. Wasilisin

President

Approved for Form and Legal Sufficiency:

\_\_\_\_\_  
Ira Schwartz, Esq., TEDCO Gen'l. Counsel  
Office of the Attorney General

**EXHIBIT A**

**PROJECT DESCRIPTION**

**[INSERT APPLICATION AND ANY SUPPORTING DOCUMENTS HERE]**



**Payment Request:**

Please include a list of specific expenses incurred during the period covered by the payment request. These should be itemized under the milestones and expense categories approved in the budget contained in Exhibit A of this agreement.

If additional resources have been provided toward this project (e.g. in-kind effort, additional funds, access to facilities or equipment) indicate the source and value in dollars.

I hereby certify that the information contained in this Report/Request is true and accurate.

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_



EXHIBIT C

**ANNUAL IMPACT STATEMENT  
(no more than 5 pages)**

Company Name: \_\_\_\_\_

Proposal Name: \_\_\_\_\_

Project Director: \_\_\_\_\_

Date: \_\_\_\_\_

Technology Impact Baseline Data

Specific NIST related technological area for which this demonstration / development project was intended:

How long will it take, in your estimation, to adapt this technology for adoption / acquisition by industry / federal government?

What additional funding has the company received, including revenue, investments, grants, awards, etc.? What was the source of the funding? What is the use of the funds?

What relationship has your company established with any strategic partners?

Has any new Intellectual Property (IP) been created? Provide a brief description / title for the IP. How is it being protected?

How many personnel are currently employed (FTE)?

If a product is being produced, where will it be manufactured?

I hereby certify that the information contained in this Annual Impact Statement is true and accurate.

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT D

**COMPREHENSIVE FINAL REPORT  
(no more than 5 pages)**

Company Name: \_\_\_\_\_

Proposal Name: \_\_\_\_\_

Project Director : \_\_\_\_\_

Date: \_\_\_\_\_

- 1) Describe the progress of the Project including milestones and obstacles met.
  
- 2) Do you believe you met the original goals of the proposal? If not, please describe why.
  
- 3) Describe any new discoveries or intellectual property disclosed.
  
- 4) Have any new patents been filed or any current patents expanded? Do you anticipate filing any new patents as a result of this Project? If so, please list them with a brief explanation.
  
- 5) What plans do you have for continuing development or deployment of this technology? Has this changed as a result of the findings of this Project?

I hereby certify that the information contained in this Comprehensive Status Report is true and accurate.

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_