GRANT AGREEMENT

THIS GRANT AGREEMENT ("Agreement") is entered into this ____ day of ___________________, 202_ (the "Effective Date"), by and between the **MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION**, a body politic and corporate and a public instrumentality of the State of Maryland (the "Grantor"), and _______________, a [Maryland] [__________] [corporation] [limited liability company] (the "Grantee").

RECITALS

A. The Grantor has the authority to make grants to foster job creation and economic development in Maryland by promoting the commercialization of research conducted by small businesses in Maryland and facilitating transfer of technology from universities and federal research laboratories to small businesses.

B. Grantor's Maryland Small Business Innovation Research and Technology Transfer Program (the "Program") provides matching funds to eligible small businesses that have received a Small Business Innovation Research ("SBIR") or a Small Business Technology Transfer ("STTR") award from the federal government.

C. Grantee has applied to Grantor for grant assistance from the Program to undertake activities which are consistent with the aforementioned goals. Grantor, in reliance upon the representations contained in Grantee's application, which is attached hereto and, to the extent that it is consistent herewith incorporated herein as Exhibit A, has approved an award of grant funds to Grantee, to be expended by Grantee in accordance with the provisions of this Agreement.

IN CONSIDERATION of the mutual promises and covenants contained in this Agreement, the parties agree as follows:

1. **Program Definitions.**

(a) "Qualified Business" has a meaning stated in Section 10-401(g) of Economic Development Article, Title 10, Subtitle 4, Annotated Code of Maryland.

(b) "Proposal" shall mean the proposal submitted by the Grantee to an agency of the federal government for an SBIR or STTR award.

(c) "Fiscal Year" means the 12-month period from July 1 through the following June 30.

2. **Purpose.** The purpose of this Agreement is to provide the Grantee with matching funds to help the Grantee promote the commercialization of research conducted by small businesses in Maryland and facilitate transfer of technology from universities and federal research laboratories to small businesses.

3. **Grant and Disbursement.** In consideration of the various obligations to be undertaken by Grantee pursuant to this Agreement, Grantor agrees to provide Grantee with funds

in an amount not to exceed [_______] Thousand and 00/100 Dollars ($_________.00) (the "Grant") on such further terms and conditions as are described in this Agreement. The Grant is subject to the terms of this Agreement, and to the availability of the funds for this purpose, as determined by Grantor in its sole discretion, and to Grantee's compliance with this Agreement.

Grantor will disburse Grant funds to Grantee in a lump sum as promptly as is practicable following the execution of this Agreement.

4. **Conditions Precedent to Disbursement.** Before disbursing any Grant proceeds, the Grantor shall receive:

(a) A copy of the Grantee's Proposal submitted to a federal agency for an SBIR or STTR award; and

(b) A copy of the Grantee's SBIR or STTR award notification.

5. **Records and Reports.**

(a) Grantee shall maintain accurate financial records of all transactions relating to the receipt and expenditure of the Grant.

(b) Upon thirty (30) days' prior written notice, Grantee shall allow any auditors of the Grantor or legislative auditors of the Maryland General Assembly to inspect and audit, at reasonable times and at the Grantor's expense, all records and documents of the Grantee relating to this Grant, which records shall be retained by the Grantee for at least three years after the termination of this Agreement.

(c) For a period of five (5) years following the Effective Date, Grantee shall annually or upon Grantor's request, submit to Grantor a statement or documents listing: (i) Grantee's revenues; (ii) Grantee's profits; (iii) Grantee's payroll; (iv) an employee census reflecting its current founders and full-time or full-time equivalent W-2 employees, specifying those who work from a physical location in Maryland and those who work outside of Maryland; (vi) a listing of proposed and actual job creation in Maryland as a result of the Grant; and (vi) such other and further information as Grantor may require.

(d) Grantee will identify to Grantor any parts of Exhibit A, or any documents provided, or reports made to Grantor as required by this Agreement which it contends are or contain confidential or proprietary information of Grantee or any other person ("Identified Confidential Information"). 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. Further, the Grantor is subject to the Maryland Public Information Act, Sections 4-101 through 4-601 of the General Provisions Article of the Annotated Code of Maryland. The Grantor will not disclose "confidential commercial" or "confidential financial" information regarding the Grantee except as required by law or as otherwise permitted under any documents, instruments or agreements to which the Grantor is a party; provided however, the ultimate determination as to disclosure may be made by a Maryland state court.

6. **Compliance with Applicable Law.**

(a) Grantee agrees to comply with all applicable federal, State, and local law.

(b) 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

7. **Grantee's Certifications.** Grantee hereby certifies to Grantor that:

(a) Any resolution or other action which may be required to authorize the execution and delivery of this Agreement 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 has been properly taken;

(b) The representations, statements, certifications and other matters contained in the application and Proposal are and remain true and complete in all material respects; and

(c) Grantee is not in arrears with respect to the payment of any moneys due and owing the state of Maryland, or any department or unit thereof, including, but not limited to, the payment of taxes and employee benefits, and that it shall not become so during the term of this Agreement;

(d) Grantee has received an SBIR or STTR award from a federal agency during the six months immediately preceding the submission of Grantee's application under the Program;

(e) Grantee has received no prior award under the Program in the current Fiscal Year and has received less than three (3) awards under the Program; and

(f) Grantee is a Qualified Business:

(i) As of the date hereof, the Grantee has a total workforce[1] (active founders and employees) of _, consisting of __ active founder(s) and ______W-2 reporting

[1] "Workforce" means founders and employees of a business. Code of Maryland Regulations ("COMAR") 14.04.01.01B(29). A "founder" means an individual who establishes a business by assuming a portion of the risk of the business; and having the initial rights to a portion of the profits of the business. COMAR 14.04.01.01B(14). For the purposes of workforce calculation, the Grantee should only include active founders in the total workforce. "Employee" means a full-time or a full-time equivalent W-2 reporting worker of a business. COMAR 14.04.01.01B(11).

employee(s). Of the total workforce, _______founders/employees work in Maryland (over 50%) and _________ work outside of Maryland, in ____________.

(ii) As of the date hereof, the principal business operations from which the Grantee's directors and officers direct, control and coordinate the Grantee's business activities is located at __________ ("Headquarters").

(iii) The Grantee leases/licenses the afore-mentioned premises on a monthly/annual basis (since _______) and intends to continue to maintain it as its Headquarters in Maryland. [**Alternate Language**: The Grantee uses the founder's primary residence as its Headquarters and intends to continue to maintain it as its Headquarters in Maryland. The owner(s), <<Name of Owner(s)>>_has/have provided permission pursuant to a letter, dated <<Date of Permission Letter>>, to the Grantee to use his/her/their residence as the Grantee's Headquarters.]

(iv) The Grantee is a start-up business in Maryland or intends to use the proceeds of this Grant to support business operations in Maryland.

(v) The Grantee is not primarily engaged in retail sales, real estate development, in the business of insurance, banking, or lending, or in the professional services of accountants, attorneys, or physicians.

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8. **Default, Repayment and Remedies.**

(a) A default shall consist of: (i) any use of Grant funds for any purpose other than authorized by this Agreement; (ii) any breach of any covenant, agreement, provision, representation or warranty of Grantee which was made in this Agreement; (iii) failure to file any report required pursuant to Section 5; and (iv) failure to remain a Qualified Business for a period of two (2) after the Effective Date.

(b) Upon the occurrence of any default, the Grantor immediately may suspend Grantee's authority to receive any Grant funds at any time by notice to Grantee.

(c) If a default occurs, Grantor shall provide written notice of default to Grantee and Grantee shall have 30 days from the date Grantor's notice was postmarked to cure the default. After the conclusion of this 30-day period, if Grantee has not cured the default to the satisfaction of Grantor, Grantor may terminate this Agreement.

(d) In the event of termination for default:

(i) Grantor may immediately demand repayment of all or a portion of the Grant funds which have been disbursed with interest from the date of default at the rate then set forth in Section 11-107(a), Courts and Judicial Proceedings Article of the Annotated Code of Maryland; and

(ii) 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.

9. **Indemnification.** Grantee releases the Grantor from, agrees that Grantor shall not have any liability for, and to the extent permitted by law agrees to protect, indemnify and save harmless Grantor 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, Grantor as a result of or in connection with the Grant. All money expended by Grantor 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. Grantee's obligation to indemnify as hereinabove set forth is conditioned upon Grantor providing Grantee with prompt written notice of all claims, providing reasonable cooperation in their investigation and defense, and permitting Grantee to participate in the defense of said claims at its expense with legal counsel of its choice. Notwithstanding the aforegoing, Grantee will not be required to defend or indemnify Grantor with respect to losses or expenses caused by Grantor's own negligence or willful misconduct.

10. **Press Releases and Promotional Materials**. Grantor may issue press releases or other promotional materials describing in general terms the award of Grant funds and the specific purposes for which the Grant funds were awarded. Grantee shall appropriately identify Grantor as a funding source on all materials that are distributed to the public in conjunction with the Grant funds provided hereunder, including brochures, reports, website pages, newsletters, press releases, events, meeting notices, etc. Grantee shall also provide Grantor with copies of all publications produced in conjunction therewith.

11. **Assignment**. No benefit inuring to the Grantee under this Agreement may be assigned, and no duty imposed on the Grantee may be delegated, without the prior written consent of the Grantor.

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

13. **Governing Law.** This Agreement shall be governed by the laws of the State of Maryland. The Grantor and Grantee hereby agree and consent that any lawsuit, action, or proceeding arising out of or brought to enforce the provisions of this Agreement shall be brought only in any appropriate state court of Maryland. The parties consent to the exclusive jurisdiction of, and venue in, the state courts in Maryland. The parties agree that the Grantor shall not submit to binding arbitration or any other similar form of dispute resolution.

14. **Entire Agreement**. This Agreement, and the exhibits incorporated herein, constitutes the entire agreement between the parties and supersedes all prior or contemporaneous oral or written agreements between the parties hereto with respect to the Grant.

15. **Effective Date.** This Agreement shall be accepted and executed by Grantee and

forwarded to Grantor for final execution. The effective date of this Agreement shall be the date Grantor enters on the face of this Agreement. This Agreement shall be in effect from the date of execution and until all Grantee's obligations under the Agreement have been satisfied, including but not limited to the reporting provisions of Section 5.

[Signatures on following page]

AS WITNESS, the hands of the parties hereto as of the day and year first above written.

GRANTOR

By: ______________________________
Troy LeMaile Stovall
Chief Executive Officer

WITNESS:

____

Name: _______________________

GRANTEE

By:_________________________________

Name: _________________________________
Title: _________________________________
Address: _________________

STATE OF MARYLAND, CITY/COUNTY OF ________________, TO WIT:

I HEREBY CERTIFY that on this ___ day of _____________, 202[], before me, a Notary Public in the State of Maryland, personally appeared ____________who acknowledged himself/herself to be the [title], of the Grantee, known or satisfactorily proven to me to be the person whose name is subscribed to this document, and acknowledged that he/she executed it on behalf of the Grantee, as its duly authorized officer.

AS WITNESS my hand and Notarial Seal.

____
Notary Public

My Commission expires: ____________

Approved for Form & Legal Sufficiency:

____
Name of AAG, TEDCO Assistant Attorney General
Office of the Attorney General

Exhibit A – Application