

**AGREEMENT OF MAINE TECHNOLOGY INSTITUTE  
AND  
[ SEED GRANT ]**

This Grant Agreement (“Agreement”) is made as of \_\_\_\_\_ (“Effective Date”) by and between the Maine Technology Institute (“MTI”), a non-profit corporation organized under the laws of the State of Maine and \_\_\_\_\_, a [corporation, partnership, sole proprietorship, limited liability company or other business entity] organized under the laws of the State of \_\_\_\_\_, [federal tax identification or social security number] \_\_\_\_\_ (“Recipient” or “Company”), collectively referred to in this Agreement as the Parties (“the Parties”).

**1.0 INTRODUCTION**

- 1.1 Recipient will undertake a project leading to commercialization of a new product or service (“Project”). The description of the Project is included in Appendix A.
- 1.2 MTI was established by the Maine Legislature to stimulate and support research and development activity leading to the commercialization of new products and services in order to enhance the competitive position of Maine’s technology-intensive industrial sectors, and thereby promote economic development and job creation. MTI’s goal is to contribute to the long-term development of a statewide research, development, and product deployment infrastructure, thereby enhancing the competitive position of Maine’s technology intensive industries, while supporting clusters of industrial activity and creating jobs for Maine people.
- 1.3 The MTI Seed Grant Program (“Grant”) is targeted to stimulate the commercialization of a new product or service.
- 1.4 Recipient has submitted its Cover Page, Project Summary, Program Budget Summary, Commitment for Matching Funds, Biographies of Key Project Personnel, Letters of Commitment for Matching Funds, as well as other written information required by MTI and applied for funding under MTI’s “Seed Grant Program” (hereinafter collectively referred to as the “Application”).
- 1.5 MTI, in reliance upon the representations contained in the Application and in this Agreement, awards the Grant to Recipient in order to promote these mutual interests.

**2.0 CONSIDERATION**

- 2.1 For adequate consideration received and to be received, including, but not limited to, performance of the Parties’ respective obligations under this Agreement, the Parties hereby agree, as follows.

**3.0 AWARD**

- 3.1 Relying upon Recipient’s representations in its Application and Recipient’s compliance with all terms and conditions of this Agreement, MTI will provide a grant award of up to \$\_\_\_\_\_ to Recipient to cost-share the Project.

- 3.2 The Grant funds shall be dispersed to the Recipient by MTI in accordance with the payment schedule and project endpoint set forth in Appendix B hereto, subject to the terms and conditions of this Agreement.
- 3.3 If any portion of the Grant is to be used by Recipient to purchase equipment, machinery, fixtures, or other tangible personal property (collectively "Equipment"), then Recipient shall, at the request of MTI, execute a Security Agreement which grants MTI a first priority lien against equipment and contains such other terms and conditions as MTI may require (the "Security Agreement").
- 3.4 Unless otherwise agreed to by MTI, all grant award disbursements for Equipment shall be (a) made jointly payable by MTI to Recipient and Recipient's Equipment supplier, and (b) subject to satisfaction of such other conditions as MTI may require to ensure that the portion of the grant set aside for the purchase of Equipment is in fact used by, and enables, Recipient to purchase the Equipment.
- 3.5 MTI shall not disburse any Grant funds following written notice by MTI to Recipient of Suspension or Termination of Grant for Project Failure under Section 7.

#### 4.0 TERM OF AGREEMENT

- 4.1 The term of the Agreement shall commence on the Effective Date and terminate on \_\_\_\_\_ ("Termination Date").
- 4.2 The Termination Date may be accelerated by MTI or Recipient pursuant to the provisions of Section 7.

#### 5.0 REPRESENTATIONS AND WARRANTIES OF RECIPIENT

Recipient makes the following representations and warranties to MTI, which shall be deemed to survive until the Termination Date:

- 5.1 The Recipient has the authority to execute and deliver this Agreement and any other documents, certificates or agreements required by MTI to be executed in connection with this Agreement, including, without limitation, the Security Agreement, and to execute the transactions contemplated thereby.
- 5.2 The Recipient is a [corporation, partnership, sole proprietorship, limited liability company or other business entity] in good standing to do business under the laws of the State of Maine, and has authority to conduct its business.
- 5.3 Recipient shall use its best efforts to assure that all activities described in the Application are implemented, except as described in this Agreement.
- 5.4 Recipient has disclosed any relationship, direct or indirect, between Recipient, its Officers, Directors, members or employees, and MTI, and are in compliance with the conflict of interest provisions of 5 M.R.S.A. Chapter 407, Section 15307.

#### 6.0 ADDITIONAL COVENANTS

- 6.1 Recipient will maintain a place of business, as well as good standing to do business, in the State of Maine until five years after the Termination Date of this Agreement.
- 6.2 Recipient will contribute all payments and services designated as Matching Funds in Recipient's Application, consistent with the payment schedule outlined in Appendix B.
- 6.3 Recipient shall undertake all work described in the Appendix A in good faith and with due diligence, and shall expend Grant funds only for the purposes and in the amounts detailed in the Application or by subsequent written approval of MTI.

- 6.47 If Recipient or its successor-in-interest is a partnership, association or joint venture, by the Recipient's execution of this Agreement each person comprising such partnership, association or joint venture shall be jointly and severally bound for all the obligations of Recipient under the Agreement.
- 6.5 Recipient shall maintain all records needed to document the financial and other information to be reported to MTI pursuant to this Agreement, and shall provide any additional records reasonably requested by MTI until five years after the Termination Date of this Agreement.
- 6.6 Recipient shall submit a final report to MTI containing the information required by Appendix C. Recipient shall promptly respond to survey or other information requests made of grant Recipients by MTI.
- 6.7 Recipient shall notify MTI of any material change in Recipient's legal status, financial status, or compliance status with federal and state laws, or of any material change in the status of the Project that would have a significant adverse effect on Recipient's ability to implement the Project as described in the Application and this Agreement.

7.0 SUSPENSION OR TERMINATION OF GRANT FOR PROJECT FAILURE; MTI REIMBURSEMENT

- 7.1 MTI may, in its sole discretion, refuse to make additional Grant disbursements anticipated by Appendix B to Recipient, and may terminate the Grant for the following reasons:
- a) the failure of Recipient to achieve a project endpoint within the anticipated timeframe described in Appendix B; or
  - b) a material change in Recipient's legal status, financial status, key personnel, or compliance status with federal and state laws, or a material change in the Project that would have a significant adverse effect on Recipient's ability to implement the Project as described in the Application;
  - c) Recipient's expenditure of Grant funds for purposes that are not detailed in the Application or by subsequent written approval of MTI;
  - d) Recipient's breach of any terms of this Agreement; or
  - e) if any portion of the Grant is used to purchase Equipment, then any Default under the Security Agreement (as the term "Default" is defined therein).
- 7.2 MTI shall provide Recipient with written notice of its decision to suspend payments or to terminate the Grant under this Section of the Agreement, providing Recipient with an explanation of the reasons therefore. In the event that MTI decides to suspend the Grant, the written notice of suspension shall describe the specific actions which Recipient must complete successfully to secure reinstatement of the award, and the deadline for such remedial actions. MTI shall allow Recipient at least 30 days to cure the underlying cause of the suspension.
- 7.3 MTI, in its sole discretion, may require Recipient to repay all funds disbursed by MTI under this Agreement in the event of Recipient's breach of any terms of this Agreement or the Security Agreement, including, but not limited to, Recipient's failure to adhere to expenditure limitations set forth in the Application, or by subsequent written approval of MTI, or Recipient's failure to maintain a place of business in the State of Maine for five years after the Termination Date of this Agreement. All such amounts shall, once demanded by MTI, accrue interest at the annual rate of the prime rate as published in the Wall Street Journal plus 2% until paid.

8.0 LIABILITY/INDEMNITY

- 8.1 Neither this Agreement, nor any act of the Parties shall be deemed to create any relationship of third-party beneficiary, or of principal and agent, or of limited or general partnership, or of joint venture.
- 8.2 Recipient agrees to indemnify, defend and hold harmless MTI, its Officers, Directors and employees against all liabilities, costs and expenses, including reasonable attorney’s fees, arising out of the Project, any breach of Recipient’s obligations under this Agreement, or any unlawful act or omission by Recipients, its Officers, Directors, Shareholders, members, affiliates, representatives or employees.

9.0 PUBLIC ACKNOWLEDGEMENT OF MTI SUPPORT

- 9.1 Recipient’s press releases and other public descriptions or discussion of this project will acknowledge MTI’s participation and support.
- 9.2 Recipient shall use its best efforts to cooperate with MTI in publicizing the Project and its benefits for the people of Maine.

10.0 MISCELLANEOUS

- 10.1 This Agreement shall be construed in accordance with the laws of the State of Maine without reference to conflict of law provisions.
- 10.2 Any notice required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed by certified or registered mail, postage prepaid as follows:

If to _____ Company:	If to Maine Technology Institute:
_____	_____
_____	_____
_____	_____

- 10.3 The Parties hereto acknowledge that this Agreement sets forth the entire agreement of the Parties as to the subject matter hereof and shall not be modified except by the execution of a written instrument signed by the Parties.
- 10.4 The provisions of this Agreement are severable, and in the event that any provision of this Agreement shall be determined to be invalid or unenforceable under any controlling and applicable body of law, such invalidity or unenforceability shall not in any way affect the validity of the enforceability of the remaining provisions hereof.
- 10.5 This Agreement is not assignable to any other party, without the express written consent of the other Parties to this Agreement.

- Appendix A. Project Description
- Appendix B. Project Endpoint and Award Payment Schedule
- Appendix C. Final Report Form and Certification

ACCEPTED AND AGREED TO:

MAINE TECHNOLOGY INSTITUTE

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

Name: Betsy Biemann

Title: President

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

\_\_\_\_\_ [RECIPIENT]

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

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

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

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

**APPENDIX B: PROJECT ENDPOINT AND AWARD PAYMENT SCHEDULE**

Endpoint:
Required Documentation for endpoint:

Payment Schedule:

Start Date: \_\_\_\_\_ Amount: \_\_\_\_\_ (= 80% of Award)

Target End Date: \_\_\_\_\_ Amount: \_\_\_\_\_ (= 20% of Award)

Certified and Accepted by:

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Signature	Printed Name / Title	Date
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For MTI internal use only:		
Verified by:		
Signature	Printed Name / Title	Date

**APPENDIX C: FINAL REPORT AND CERTIFICATION**

Narrative description of activities conducted with MTI Seed Grant funds:

By signing this form, I certify that, to the best of my knowledge, activities were conducted as described in the Project Description (Appendix A), unless otherwise indicated in writing, and summarized in the above Narrative. I further affirm that all expenses incurred as part of the MTI Seed Grant project are as described in the Project Description (Appendix A), and have been documented as required by MTI. Significant variances to the proposed budget (> 10%) have been reported and documented as required by MTI.

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Signature

Printed Name / Title

Date

\_\_\_\_\_ Check here if documents are attached to this form.