

LSDF Grant No.:
Principal Investigator:
Organization:

**Life Sciences Discovery Fund
LSDF 09-01 Grant Award Agreement**

This agreement ("Agreement"), is entered into by the Life Sciences Discovery Fund Authority, ("Grantor"), a granting agency of the State of Washington, with offices at 2324 Eastlake Avenue East, Suite 501, Seattle, WA 98102, and [REDACTED] ("Grantee"), having an administrative office at address, city, state, zip code;

Grantor is authorized by statute of the State of Washington to make grants for the fundamental government purpose of sponsoring life sciences research to improve health and health care, foster economic development, and strengthen the competitiveness of the life sciences sector within Washington State;

Grantor desires to sponsor life sciences research ("Project") under the direction of Grantee's researcher ("Principal Investigator") and has awarded Grantee funds not to exceed [REDACTED] to conduct the Project;

Grantee intends to conduct the Project in accordance with the grant proposal submitted to Grantor;

NOW, THEREFORE, in consideration of the above and the mutual terms and conditions set forth below, Grantor and Grantee agree as follows:

ARTICLE 1. EFFECTIVE DATE AND AVAILABILITY OF GRANT MONEY

This Agreement shall be effective on the date of signature of the last party to sign ("Effective Date"). No funds shall be disbursed prior to the Effective Date of this Agreement. Disbursement of funds shall be subject to the conditions set forth in this Agreement.

ARTICLE 2. DESCRIPTION OF RESEARCH PROJECT

2.1 Conduct of the Project. Grantee agrees to use its reasonable best efforts to conduct the Project as described in the proposal entitled, [REDACTED], (Grantor reference number: [REDACTED]) ("Proposal"), which is attached to this Agreement as Exhibit A. Such reasonable best efforts shall include allocating space, monies, personnel and other resources to the Project as described within the Proposal and as necessary to conduct the Project. Grantee's failure to allocate the resources described within the Proposal to the Project shall be deemed to be a termination of the Project by Grantee. Termination of the Project by Grantee is grounds for termination of this Agreement.

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The Project shall be carried out in accordance with the terms and conditions of this Agreement and with the Budget (as defined in Article 3.1 below) and the work plan described in the Proposal. In performing the Project, Grantee shall adhere to the milestones and timeline (“Milestones and Timeline”) set forth in Exhibit B. Substantive changes in the scope or objectives of the Project or the Milestones and Timeline require the advance written approval of Grantor. Commonly accepted standards of workmanship shall be followed. In performing the Project, Grantee shall comply with all relevant federal, state, or local laws and regulations, and executive orders. Without limiting the general requirement contained herein, Grantee shall comply with all federal and state laws relating to discrimination by employers or in public accommodations, receipt and disbursement of state and federal funds, tax reporting and withholding requirements, workers’ compensation, and wage and hour laws.

2.2 Key Personnel. The Project shall be carried out under the direction of the Principal Investigator identified in the Proposal as [REDACTED], who shall select and supervise other participants as needed, and as consistent with the Proposal. The Principal Investigator shall be responsible for ensuring that the scientific, technical and Milestones and Timeline requirements of this Agreement are met, administering the grant in accordance with the terms and conditions of this Agreement, submitting progress reports to Grantor in a timely manner, overseeing personnel matters and disbursement of grant funds, and responding to any inquiries from Grantor related to progress or financial reports or to an audit of grant expenses. The Principal Investigator shall sign or otherwise authorize all progress reports and requests made subject to this Agreement.

In the event that the Principal Investigator changes his or her employment status with the Grantee, relocates outside of Washington, or otherwise is unable to fulfill the role of Principal Investigator, Grantee shall notify Grantor in writing within 30 days of such event and identify in writing an alternate Principal Investigator, acceptable to Grantor, to assume leadership of the Project. Failure to have an approved Principal Investigator is grounds for termination of this Agreement.

In the event that Principal Investigator or other Project participants are debarred or become subject to debarment under the provisions of the Generic Drug Enforcement Act of 1992, 21 U.S.C. or have otherwise been disqualified or suspended from performing the Project or otherwise subject to any restrictions or sanctions by the FDA or any other governmental agency or professional body with respect to the performance of scientific or clinical investigations, Grantee shall immediately notify Grantor in writing. Debarment of any Project participant is grounds for termination of this Agreement.

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2.3 Control of Project. Control of the Project shall rest with Grantee. Subject to the terms of this Agreement, Grantee may engage third party collaborators in the conduct of the Project.

2.4 Collaborators. In the event that performance of the Project involves third party collaborators of Grantee, Grantee shall be responsible for the performance of such collaborators and for ensuring that the work performed by such collaborators is consistent with the terms and conditions of this Agreement. Grantee warrants that it shall enter into written agreement(s) with all collaborators involved in the conduct of the Project according to the time set in the Milestones and Timeline. Among other provisions, such agreement(s) shall allow for the allocation of the rights that the Grantee and collaborators shall have in any Inventions (as defined in Article 6 below) developed during the course of performing the Project and shall identify which of the parties shall be responsible for commercialization of such Inventions. Grantee's collaborators are listed in Exhibit C.

2.5 Grant Period. The period in which the Project shall be performed ("Grant Period") is [REDACTED] months from the Effective Date of this Agreement.

2.6 Title to Equipment and Computers. Title to equipment and computers purchased with funds awarded under this Agreement shall be vested in the Grantee, on condition that such equipment is used for performance of the Project. Failure to keep equipment and computers available for these purposes, is grounds for termination of this Agreement. Grantee may make equipment and computers available for use in other research studies as long as such use does not interfere with the work on the Project.

ARTICLE 3. FUNDING AND PAYMENT

3.1 Funding. Grantor has awarded funding to the Grantee in the amount of \$ [REDACTED]. Grantee shall allocate funding to the Project according to the budget ("Budget") shown in Exhibit D. All funding provided to Grantee under this Agreement is contingent upon Grantor having sufficient funds and expenditure authorization to fund the Project, as determined by Grantor.

3.2 Supplemental Funding. Grantor will not provide supplemental funding to the Budget. Notwithstanding the foregoing, in the event that the Project has been catastrophically disrupted by events anticipated by Article 21 (Force Majeure) herein, as timely reported in writing to Grantor by Grantee, Grantor may, but shall not be obligated to, provide supplemental funding to the Budget.

3.3 Budget Modifications. Monetary shifts of 25 percent or less between categories within a Budget year may be made without advance written approval

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of Grantor. However, if Grantee proposes expenditures that previously were not a part of the Budget, or if Grantee proposes to spend more than 125 percent of the cumulative budgetary amount for any Budget category or to make programmatic changes that impact the Budget, Grantee shall seek the advance written approval of Grantor. Grantee may request, such request to be made in writing, a no-cost extension of the Grant Period for a maximum of two years, in one-year increments. Grantee shall submit an amended budget for any extension period. The decision to grant such an extension vests solely in the discretion of the Grantor.

Upon the advance written approval of Grantor, unexpended amounts contained in the Budget for a budget year within the Grant Period may be carried over to the subsequent budget year within the Grant Period. Unexpended amounts of 10 percent or less of that allocated within a budget year may be carried over to the subsequent budget year within the Grant Period without the advance written approval of Grantor.

3.4 Allowable Costs. Costs allowable under the award provided herein are based on the Budget and shall be consistent with Grantee's policies. Allowable costs shall include costs incurred by Grantee from the first date of the Grant Period, until completion of the Project, expiration of the Grant Period, termination of the Project, or termination of this Agreement, whichever is earliest, but in no event shall allowable costs exceed the amount of the grant award. Expenditures for the following are not allowable: facilities construction and remodeling, costs associated with patient care beyond what are required for Project research, and computers not essential for performance of the Project. Facilities and administration ("F&A") support for the Project is allowable, provided that such F&A costs represent the true and actual costs of performing the Project and are expressed as direct costs. F&A reimbursement is based on such true and actual costs and not on the federally-negotiated F&A rate of the applicant organization or its subcontractors. The following direct costs are allowable: personnel (including wages, benefits, stipends, and education fees for trainees), equipment at a unit cost above \$5,000, supplies, services, subcontracts, Project-related travel, and "other" costs as itemized and approved by Grantor. F&A costs incurred by a for-profit subcontractor of Grantee for the Project are not allowable. Costs incurred by a for-profit subcontractor of Grantee for the Project for activities performed on a best efforts basis are not allowable.

In the event that the Budget allocates funds for Project costs whose nature cannot be accurately determined at the time of execution of this Agreement, including but not limited to, re-granting activities, Grantee agrees not to spend or otherwise encumber such funds until it obtains the advance written permission of Grantor. In seeking Grantor's permission, Grantee shall provide a

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detailed written and justified description of how such funds are to be spent and the time period during which the expenditure is to be made.

3.5 Payments. Grantor shall make payments to Grantee for the conduct of the Project on a cost-reimbursement basis upon receipt of written invoices submitted to and approved by Grantor. All payments shall be subject to Grantee's timely progress in achieving the goals set forth in the Milestones and Timeline, as determined by Grantor, and timely submission of annual financial reports described in Article 3.7 below and progress reports described in Article 4 below. Each invoice shall be submitted by the Grantee using Grantor's on-line system, with a signed copy sent by mail or other means as specified in Article 19 (Notices) herein. Commencing on the Effective Date of this Agreement, invoices may be submitted for expenditure periods of not less than one month and not greater than six months and shall be submitted no later than two months from the end of the invoice period. Invoices shall state the milestone(s) within the Milestones and Timeline against which costs have been incurred within the reporting period, shall itemize all allowable costs according to the categories within the Budget, and shall be signed by an authorized institutional official certifying that all expenditures are directly related to the Project and Budget. Grantor may require expenditure documentation as part of the reimbursement process, if reasonably necessary to ensure consistency with the Milestones and Timeline and the Budget. Grantor shall pay to Grantee all allowable costs incurred from the first date of the Grant Period until completion of the Project, expiration of the Grant Period, termination of the Project, or termination of this Agreement, whichever is earliest, insofar as those allowable costs do not exceed the amount granted or otherwise available for such purposes as stated in the Budget. All payments shall be sent to Grantee via electronic funds transfer. Grantee shall complete and send a Direct Deposit Authorization form and signed W-9 form to Grantor for payments to commence.

3.6 Final Request(s) for Payment. Grantee shall submit final requests for reimbursement within 60 days of completion of the Project, expiration of the Grant Period, termination of the Project, or termination of this Agreement, whichever is earliest. Failure to comply may result in Grantor's refusal or inability to reimburse. Grantor shall not make the final payment until the proper invoice, marked "Final", has been approved by Grantor and the final progress report of the Project has been received and approved by Grantor.

3.7 Annual Financial Reporting. Grantee shall submit an annual financial report to Grantor using Grantor's on-line system. The first annual financial report shall be due on the first anniversary of the Effective Date of this Agreement and subsequent reports due on each anniversary thereafter until the completion of the Project, expiration of the Grant Period, termination of the Project, or termination of this Agreement, whichever is earliest. Financial reports shall cover

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all expenditures made since the previous reporting period. Annual financial reports shall be signed by an authorized institutional official certifying that all expenditures are directly related to the Project and Budget. Grantee shall continue to submit annual financial reports to the Grantor until completion of the Project, expiration of the Grant Period, termination of the Project, or termination of this Agreement, whichever is earliest.

ARTICLE 4. PROGRESS REPORTS

Grantee shall submit written semi-annual progress reports to Grantor describing Grantee's progress in performing the Project. All reports shall be submitted by the Principal Investigator and shall detail the activities of Grantee and Grantee's collaborators in the Project during the period covered by the report. The first progress report shall be due 6 months after the Effective Date of this Agreement and subsequent reports due at 6 month intervals thereafter until the completion of the Project, expiration of the Grant Period, termination of the Project, or termination of this Agreement, whichever is earliest.

The content of progress reports is shown in Exhibit E. Grantor reserves the right to change the content of progress reports during the Grant Period and Grantee shall make subsequent progress reports according to the template then in use by Grantor. Progress reports shall be submitted electronically through Grantor's on-line grant system. Progress reports shall be of sufficient detail to allow Grantor to assess progress made on the Project and the Milestones and Timeline since the prior report. In the event that a progress report lacks sufficient detail to allow Grantor to assess progress made on the Project and the Milestones and Timeline, Grantee shall provide Grantor with additional detail in a timely manner as requested by Grantor. Grantee shall also disclose in writing to Grantor any problems, delays or adverse conditions which may materially affect its ability to meet Project objectives or the Milestones and Timeline. This disclosure shall be accompanied by a statement of the action taken or proposed and any assistance needed from Grantor to resolve the situation. Grantor shall hold all progress reports confidential, subject to the public disclosure laws of the State of Washington [See e.g., RCW 42.56.270(14)]. Any payment due shall be predicated on receipt of a progress report satisfactory to Grantor for the most recent required period. Grantee shall submit a final progress report detailing the outcome of the Project to Grantor within 60 days of the completion of the Project, expiration of the Grant Period, termination of the Project, or termination of this Agreement, whichever is earliest. In addition to progress reports and at the reasonable request of the Grantor, during the Grant Period and after expiration of the Grant Period or termination of the Agreement, Grantee shall arrange site visits or in-person briefings to enable the Grantor to assess the impact of its funding and the potential for additional funding in this subject area.

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Grantee shall provide Grantor with post-award progress reports regarding the Project according to a mutually agreeable schedule for a period of five years after the expiration of this Agreement. The content of, schedule for, and reimbursement of Grantee for preparation of such reports shall be specified within an agreement to be executed between Grantor and Grantee prior to Grantor's last payment to Grantee under this Agreement.

ARTICLE 5. ACCOUNTING AND AUDITING

Grantee shall record the receipt of the grant funds and any Project-related expenditures, in such a form as to enable Grantor to verify that the funds were expended for the stated purposes of the grant and in accordance with generally accepted accounting principles. All pertinent records, including invoices, purchase orders, packing lists, warranties, rebates and worksheets supporting allocations shall be retained in Grantee files for at least three years, or as otherwise required by state and federal law, or as requested by Grantor, after Grantee's receipt of the final payment due under this Agreement, whichever comes later. If there are unresolved audit questions at the end of the retention period, Grantee shall retain the records until the questions are resolved. Grantor reserves the right at reasonable times and during normal business hours to audit these records, or have them audited, during the term of this Agreement or thereafter. If as a result of an audit Grantor reasonably concludes that funds were spent for purposes not related to approved Project-related activities, as set forth in the Budget and subject to this Agreement, Grantor shall be entitled to a refund of such funds, including interest on the amount refunded. Grantee shall return such funds to Grantor within 30 days of Grantor's written demand.

ARTICLE 6. INVENTIONS

6.1 Policies and Management. Grantor's grant awards are intended to support research that enhances competitiveness, improves health and health-care and fosters economic development in Washington State. Grantor and Grantee recognize that discoveries and developments having public health, scientific, business, or commercial application or value may be made in the course of performing the Project. Grantor and Grantee desire that such discoveries and developments be administered in such a manner that they are brought into public use at the earliest possible time. Grantor and Grantee recognize that this may be best accomplished through patenting, copyrighting, trademarking and/or licensing such discoveries and developments. In accepting an award from Grantor, Grantee warrants that it has policies in place regarding ownership and management of intellectual property. Grantee further warrants that it has expertise in management of intellectual property, including evaluating invention disclosures and patenting and licensing, or in the absence of such expertise, that it shall engage individuals or entities, acceptable to Grantor,

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having such expertise to assist it in managing any discoveries and developments made in the course of performing the Project.

6.2 Invention Reporting. "Invention" is any discovery, material, method, process, product, program, software or use, whether or not patented or patentable or copyrighted or copyrightable, that is conceived or made in the course of performing the Project. All Inventions shall be reported to Grantor by Grantee's office of technology transfer, or equivalent entity, in writing within 30 days after their written disclosure to Grantee. Grantee, through its office of technology transfer or equivalent entity, shall make semi-annual Invention reports to Grantor, using Grantor's on-line system, about the status of such Inventions, including Grantee's activities regarding protection of the Invention as intellectual property, licensing or other transfer of rights regarding the Invention and cumulative receipt of Invention Income (as defined in Article 6.4 below). Grantor shall hold all such Invention reports confidential, subject to the public disclosure laws of the State of Washington [See e.g. RCW 42.56.270(14)]. Invention reports shall commence with Grantee's first disclosure of the Invention to Grantor and subsequent reports shall be provided to Grantor at each six month interval thereafter until such time as Grantee reports that all activities related to intellectual property protection and licensing of the Invention have ceased, all licenses to the Invention have terminated and Grantee is no longer receiving Invention Income, or Grantee has paid back to Grantor the grant award as specified under Article 6.4 herein, whichever occurs first.

6.3 Ownership and Disposition. Grantor claims no ownership rights in any Inventions. Grantee agrees to use its reasonable best efforts to make Inventions available to the public on reasonable terms and on a timely basis. Grantee further agrees that if Grantor believes that Inventions are not being made available to the public on reasonable terms and on a timely basis, Grantee shall work with Grantor in good faith to ensure that Inventions become publicly available on reasonable terms and on a timely basis.

6.4 Grant Award Payback. In the event that Grantee receives financial consideration for licensing or otherwise transferring rights in an Invention to a third party ("Invention Income"), and the cumulative Invention Income received by Grantee exceeds \$X,XXX,XXX (equivalent to seven and one half times the amount of the grant award provided under this Agreement), Grantee shall pay to Grantor the sum of \$X,XXX,XXX (equivalent to the amount of the grant award provided under this Agreement). Such grant payback shall be made in annual installments, at the rate of 20 percent of the Invention Income received by Grantee within a given calendar year. Such payback to Grantor shall commence with the first semi-annual Invention report after which Grantee's cumulative Invention Income has exceeded \$X,XXX,XXX. Subsequent payments shall be

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made to Grantor on an annual basis thereafter until the grant has been fully paid back.

Invention Income shall include all financial consideration received by Grantee from licensing or otherwise transferring rights to an Invention to a third party, including, but not limited to, fees, royalties, income received under sublicenses and equity. Invention Income shall not include amounts paid to Grantee by a third party in the form of a research grant.

In calculating "cumulative Invention Income" Grantee shall be allowed to deduct its documentable, unreimbursed, out-of-pocket expenses associated with intellectual property protection and licensing or other transfer of the Invention, including standard, fixed administrative fees supported by Grantee's written policies. Grantee shall provide documentation of such expenses and policies in a timely fashion upon request of Grantor.

In instances where a single licensing agreement or equivalent transfer of rights covers other intellectual property in addition to an Invention, Invention Income shall include only that financial consideration that is attributable to the Invention. In such cases, Grantee shall provide documentation and justification for the distribution of financial consideration between the Invention and such other covered intellectual property in a timely fashion upon request of Grantor.

In instances where the Invention is co-owned by Grantee and one or more other entities and Grantee is contractually required to share a portion of Invention Income with such one or more entities, in calculating cumulative Invention Income, Grantee shall be allowed to deduct cumulative payments made to all such entities for their portion of Invention Income during the applicable annual period. Grantee shall provide documentation of the requirement for and the amount of such payments in a timely fashion upon request of Grantor.

6.5 Diligence. In licensing or otherwise transferring an Invention to a third party, Grantee shall include provisions in the license or transfer document obligating such third party to commercialize, or otherwise make available for public use, the Invention in a diligent manner and include appropriate diligence requirements and milestones, and shall monitor performance of such third party. The terms and conditions of this Article 6 shall apply to any third party to whom Grantee has assigned ownership rights to an Invention.

6.6 Jointly Funded Inventions. If any Invention is made with the joint support of Grantor and another funding organization and that other organization has an intellectual property policy that conflicts with Grantee's obligations under this Agreement, Grantor and Grantee shall negotiate in good faith a mutually satisfactory resolution of the conflict.

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6.7 Subcontracts. The terms and conditions of this Article 6 shall apply to Grantee's subcontractors under this Agreement, including but not limited to, reporting of Inventions made by such subcontractors to Grantor and payback to Grantor of any subcontract award from Invention Income received by such subcontractors. All agreements between Grantee and its subcontractors shall include a provision specifically requiring that such subcontractors meet the obligations imposed upon Grantee under this Article 6.

In the event that Invention Income is received by Grantee and one or more of its subcontractors or by one or more of its subcontractors only, the obligation for payback by a party shall be limited to the amount of funding received by that party under this Agreement.

ARTICLE 7. CONFLICT OF INTEREST

Grantee represents and warrants that it has a financial conflict of interest policy in place applicable to performing the Project and that Grantee has taken reasonable steps to inform the Principal Investigator and all personnel performing the Project of the policy and requirements for complying with its terms. In accepting this award, Grantee represents that Grantee has advised the Principal Investigator and Grantee's personnel performing the Project that they are required to disclose, in accordance with the foregoing policy, any potential financial conflicts of interest associated with their participation in the Project to Grantee and that Grantee has received such disclosures or received an affirmative statement that there are no conflicts to disclose. Grantee further represents that it has eliminated or mitigated all disclosed financial conflicts consistent with the terms of its policy. Grantee also agrees to take reasonable measures to assure that its subcontractors for the Project are aware of and have agreed to comply with the provisions of this Article.

At execution of this Agreement, Grantee shall submit to Grantor the completed and executed statement found in Exhibit F herein of any potential financial conflicts of interest associated with personnel performing the Project, attesting to its receipt of disclosures from such personnel that, at a minimum, confirm Grantor's understandings, and assuring that all disclosed potential conflicts of interest have been eliminated or mitigated.

In the event that new financial conflicts of interest are disclosed during the course of performing the Project, Grantee shall report such disclosures in writing to Grantor in a timely manner using the procedure specified within this Article 7.

Upon the request of Grantor, Grantee shall provide in writing information about any financial conflicts of interest that have been disclosed subject to this Article

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7 and about how such disclosed conflicts have been eliminated or mitigated. As further requested by Grantor, Grantee shall provide any additional information known by Grantee with respect to potential financial conflicts of interest identified by Grantor.

ARTICLE 8. PRESENTATIONS AND PUBLICATIONS BY GRANTEE

The parties recognize that the results of the Project may be publishable and agree that the persons performing the Project shall be permitted to present at symposia and professional meetings and to publish in journals, theses or dissertations, or otherwise in a manner of their own choosing, the methods and results of the Project. Following publication, copies of published papers describing the Project shall be submitted by Grantee to Grantor. Grantee agrees to acknowledge the support of Grantor in all public disclosures of the results of the Project.

ARTICLE 9. REPRESENTATIONS OF GRANTEE AUTHORITY AND STATUS

9.1 Grantee represents and warrants that it is an organization exempt from Federal income tax. Grantee agrees to notify Grantor immediately of any change or expected change in its status as an organization exempt from Federal income tax.

9.2 Grantee represents and warrants that it has authority to enter into this Agreement and to incur and perform the obligations herein and further warrants that the signatories to this Agreement are authorized to execute this Agreement on behalf of Grantee.

ARTICLE 10. USE OF HUMAN SUBJECTS AND VERTEBRATE ANIMALS

10.1 Human Subjects. In the event the Project involves the use of human subjects, Grantee shall ensure that the research site operates under an appropriate Office of Human Research Protections (OHRP)-approved assurance for the protection of human subjects and complies with all Department of Health and Human Services human-subjects-related policies and any other applicable laws or regulations. In accepting an award involving human subjects use within the Project, Grantee warrants that it has a system that complies with federal, state, and local government regulations to protect the rights, well-being, and personal privacy of human subjects in research and that the work to be performed within the Project has been reviewed and approved by the applicable human subjects oversight bodies. Grantee shall provide documentation of review and approval by the applicable oversight bodies of all human subjects work performed within the Project in a timely fashion upon request of Grantor.

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10.2 Vertebrate Animals. In the event the Project involves the use of vertebrate animals, Grantee shall ensure that all performance sites hold Office of Laboratory Animal Welfare (OLAW)-approved assurances. In accepting an award involving vertebrate animal use within the Project, Grantee warrants that it has a system that complies with federal, state, and local government regulations to humanely, efficiently, effectively and legally use live vertebrate animals in research and that the work to be performed within the Project has been reviewed and approved by the applicable animal use and care oversight bodies. Grantee shall provide documentation of review and approval by the applicable oversight bodies of all vertebrate animal work performed within the Project in a timely fashion upon request of Grantor.

ARTICLE 11. TERMINATION

11.1 Termination by Grantor. Grantor shall have the right to terminate this Agreement upon the occurrence of any one or more of the following events:

- (a) failure of Grantor to receive sufficient funds or expenditure authorization to meet its payment obligations under this Agreement; or
- (b) Grantor's lack of authority to provide funding for the Project due to modification, change or interpretation of state or federal laws, regulations or guidelines; or
- (c) Grantee's termination of the Project; or
- (d) failure of Grantee to meet the goals set out within the Milestones and Timeline in a timely manner; or
- (e) failure of Grantee to render progress reports, Invention reports or financial reports to Grantor as required by this Agreement; or
- (f) Principal Investigator or other Project participants have been debarred or have been subject to debarment under the provisions of the Generic Drug Enforcement Act of 1992, 21 U.S.C. or have otherwise been disqualified or suspended from performing the Project or otherwise subject to any restrictions or sanctions by the FDA or any other governmental agency or professional body with respect to the performance of scientific or clinical investigations; or
- (g) in the case of the replacement of the Principal Investigator, failure of Grantee to identify an alternate Principal Investigator, acceptable to Grantor; or
- (h) the insolvency of Grantee; or
- (i) any assignment by Grantee of substantially all of its assets for the benefit of creditors; or
- (j) the institution of any proceeding by Grantee or a third party under any reorganization, bankruptcy, insolvency, or moratorium law; or

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- (k) placement of Grantee's assets in the hands of a trustee or a receiver unless the receivership or trust is dissolved within 30 days thereafter; or
- (l) a change in Grantee's status as an organization exempt from Federal income tax; or
- (m) failure of Grantee to comply with applicable federal or state law; or
- (n) failure of Grantee to make equipment purchased or leased with funds disbursed pursuant to this Agreement available for Project purposes; or
- (o) the breach of any other material term of this Agreement.

11.2 Exercise. Grantor may terminate this Agreement by giving Grantee or Grantee's trustees, receivers, or assigns, 30 days advance written notice. Upon the expiration of such period, this Agreement shall automatically terminate unless the Grantee has cured the breach and Grantor has acknowledged that it accepts the cure. Upon exercise of its right to terminate, Grantor reserves the right to withhold further payments and prohibit Grantee from incurring additional obligations of funds for the Project.

11.3 Termination by Grantee. Grantee may terminate this Agreement at its sole discretion upon two months advance written notice to Grantor. If this Agreement is so terminated, Grantor shall be liable only for payment required under the terms of this Agreement for performance of the Project and any reasonable non-cancellable obligations incurred by Grantee in performance of the Project prior to the effective date of termination. In the event of termination of the Project, or of this Agreement by Grantee, Grantor shall be entitled to take title and possession of any equipment valued at greater than \$5,000 purchased by Grantee for the Project with funding provided under this Agreement.

11.4 Effects. Upon termination of this Agreement, Grantor shall have no further obligation to disburse grant funds to Grantee, whether or not the entire amount of award has been disbursed to Grantee, and Grantee's authority to expend previously disbursed grant funds shall end. In the event that this Agreement is terminated for any reason whatsoever, and no later than 60 days after the effective date of termination:

- (a) Grantee shall promptly return any unused funds, including interest, to Grantor; and
- (b) Grantee shall refund to Grantor any funds spent for purposes other than approved grant activities as set forth in the Budget; and
- (c) Upon Grantor's request, Grantee shall transfer title to Grantor for all equipment purchased with grant funds and not made available as needed for the Project, as described in Article 2.6 above; and

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- (d) Grantee shall invoice Grantor for outstanding reimbursable expenditures and/or any reasonable non-cancellable obligations incurred by Grantee in the performance of the Project prior to the effective date of termination as applicable; and
- (e) Grantee shall provide Grantor, in writing, with a final report of the Project and a final financial report.

Nothing herein shall be construed to release Grantee from any obligation which matured prior to the effective date of such termination or to waive any rights Grantor may have to recover damages incurred by it as a result of Grantee's breach of the Agreement.

11.5 Survival. All terms and provisions of this Agreement which by their nature are intended to be observed and performed after the expiration or termination of this Agreement shall survive such expiration or termination, and shall continue in full force and effect. Without limiting the generality of the foregoing, the following provisions of this Agreement shall survive any expiration or termination: Article 2, Description of Research Project; Article 3, Funding and Payment; Article 4, Progress Reports; Article 5, Accounting and Auditing; Article 6, Inventions; Article 8, Presentations and Publications by Grantee; Article 11, Termination; Article 12, Communications and Public Disclosures by Grantor; Article 13, Responsibility for Loss; Article 15, Relationship of the Parties; Article 16, Governing Law; and Article 23, Disputes.

ARTICLE 12. COMMUNICATIONS AND PUBLIC DISCLOSURES BY GRANTOR

Grantor reserves the right to publicly disseminate information about its granting activities, including matter related to the Project. Grantor shall not publicly disclose information about the progress or outcomes of the Project without the advance approval of the Principal Investigator, such approval not to be unreasonably withheld, if such information has not been previously disclosed to the public. From time to time Grantor may request Grantee or Principal Investigator to assist Grantor with communications and public disclosures pertaining to the Project. Such assistance provided by Grantee or Principal Investigator shall be at reasonable times and locales and at Grantor's expense.

ARTICLE 13. RESPONSIBILITY FOR LOSS

To the fullest extent permitted by law, each party to this Agreement agrees to indemnify and to hold harmless the other party from damage to persons or property resulting from the negligence on the part of itself, its employees, its agents, its subcontractors, or its officers. Neither party assumes any responsibility to the other party for the consequences of any act or omission of any person, firm or corporation not a party to this Agreement.

ARTICLE 14. FAILURE TO ENFORCE

The failure of Grantor at any time, or for any period of time, to enforce any of the provisions of this Agreement shall not be construed as a waiver of such provisions or as a waiver of the right of Grantor thereafter to enforce each and every such provision.

ARTICLE 15. RELATIONSHIP OF THE PARTIES

The relationship of the parties is that of independent contractors. Nothing herein is intended or will be construed to establish any agency, partnership, or joint venture. Neither party is authorized or empowered to act as an agent for the other party for any purpose and neither party shall be bound by the acts or conduct of the other party.

ARTICLE 16. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of Washington.

ARTICLE 17. ASSIGNMENT

This Agreement shall not be assigned by Grantee without the advance written consent of Grantor and any attempted assignment shall be null and void.

ARTICLE 18. NO ORAL MODIFICATIONS

This Agreement may not be changed, modified or amended except by express written agreement of the parties executed by their authorized representatives.

ARTICLE 19. NOTICES

Except as otherwise expressly provided in this Agreement, any communications between the parties hereto or notices to be given hereunder shall be given in writing by personal delivery, electronic transmission using electronic mail or Grantor's on-line systems, facsimile, or mailing the same, postage prepaid to Grantee or Grantor at the address or number set forth below, or to such other addresses or numbers as either party may indicate pursuant to this section. Any communication or notice so addressed and mailed shall be effective five days after mailing. Any communication or notice delivered by facsimile shall be effective on the day the transmitting machine generates a receipt of the successful transmission, if transmission was during normal business hours of the recipient, or the next business day, if transmission was outside normal business

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hours of the recipient. Any communication or notice given by personal delivery shall be effective when actually delivered. Communications by Grantee to Grantor using Grantor's on-line systems as required under this Agreement shall be effective upon Grantee's receipt of confirmation that such communications have been received by Grantor. Communications by electronic mail shall be effective upon the sender's receipt of confirmation from the recipient that such communications have been received.

Notices to Grantor

Grants Manager
Life Sciences Discovery Fund
2324 Eastlake Ave. E.
Suite 501
Seattle, WA 98102
Tel: 206-732-6788
Fax: 206-732-6778

Email: grantsadmin@lsdfa.org

Notices to Grantee

Name:
Title:
Organization:
Address:
Tel:
Fax: Email:

Notices to Principal Investigator

Name:
Title:
Organization:
Address:
Tel:
Fax: Email:

Notices to Project Financial Administrator

Name:
Title:
Organization:
Address:

LSDF Grant No.:
Principal Investigator:
Organization:

Tel:

Fax:

Email:

ARTICLE 20. ENTIRE AGREEMENT

This Agreement and the Exhibits attached hereto express the entire understanding of the parties with reference to the subject matter hereof, and supersede any prior or contemporaneous representations, understandings and agreements, whether oral or written. The parties agree and acknowledge that the rule of construction that ambiguities in a written agreement be construed against its drafter shall not be applicable to this Agreement.

ARTICLE 21. FORCE MAJEURE

Neither Grantor nor Grantee shall be held responsible for delay or default caused by fire, civil unrest, natural causes and war which is beyond, respectively, Grantor's or Grantee's reasonable control. Each party shall, however, make all reasonable efforts to remove or eliminate such cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligations under this Agreement.

ARTICLE 22. SEVERABILITY

The provisions of this Agreement are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Agreement.

ARTICLE 23. DISPUTES

The parties agree that, in the event of a dispute between them arising from, concerning, or in any way related to this Agreement, they shall undertake good faith efforts to resolve the matter amicably. The parties agree that neither will initiate an action in court or an administrative tribunal against the other without giving 30 days notice of its intent, so that the parties may attempt to resolve the issues without resort to litigation.

ARTICLE 24. NO THIRD PARTY BENEFICIARIES

Grantor and Grantee are the only parties to this Agreement and the only parties entitled to enforce its terms. The parties agree that Grantee's performance under this Agreement is solely for the benefit of Grantor to enable it to accomplish its fundamental governmental purpose. Nothing in this Agreement is

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intended to give, or shall give, whether directly or indirectly, any benefit or right, greater than that enjoyed by the general public, to third persons.

NOW, THEREFORE, agreement to the terms stated above is indicated by signatures affixed below.

Grantee

Grantor

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Title:_____

Date:_____

Date:_____

Principal Investigator

I have read and understand the terms of this Agreement, and agree to all terms and conditions herein.

By:_____

Name:_____

Title:_____

Date:_____

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Organization:

Exhibit A: Proposal

LSDF Grant No.:
Principal Investigator:
Organization:

Exhibit B: Project Milestones and Timeline

LSDF Grant No.:
Principal Investigator:
Organization:

Exhibit C: List of Collaborators

LSDF Grant No.:
Principal Investigator:
Organization:

Exhibit D: Project Budget

Exhibit E: Progress Report Form Content

LSDF Grant Semi-annual Progress Report Template

LSDF gathers and analyzes the impact of its awards to assess return on investment and demonstrate responsible stewardship of funds to the Washington State Legislature, the LSDF Board of Trustees, and the public. LSDF anticipates that the work of its grantees will have a wide variety of impacts – in life sciences competitiveness, health, and the economy – some difficult to measure. To help analyze the impact of its awards, LSDF requires semi-annual progress reports during the term of a grant. Reports are due immediately after each six-month period. Post-award reports are also required but are discussed separately.

This is the template for submitting progress reports to LSDF. **Unless otherwise indicated, report only on your LSDF-funded work.** If a field or question does not apply to your LSDF-funded work, choose or enter N/A. Where it is necessary to describe work not funded by LSDF to answer coherently, be sure to indicate this.

Unless otherwise indicated, you do not need to report events (e.g., a new collaboration) that you've previously reported, but you should report any changes or progress. Do not include any personally identifiable health data that may compromise an individual's privacy.

OVERALL SUMMARY OF PROGRESS

A. Progress of your LSDF-funded work

Summarize, in an uploaded document, the progress of your LSDF-funded work during the most recent reporting period. This should provide a comprehensive narrative that gives a picture of the prior six months.

- Include the milestones that are applicable to this period, as listed in your grant agreement, and your progress against each. If you made progress on or met a milestone applicable to a previous or future reporting period, please cite that milestone and describe the progress. If you have not made the expected progress on a milestone, please explain why and how you intend to accelerate progress, or alternatively, if the milestone needs to be adjusted.
- Describe, separately and even if duplicative of progress against milestones, the significant events during the reporting period, key findings, changes in personnel, unanticipated obstructions, notable results, etc.
- Describe, separately and even if duplicative of progress against milestones, any issues or questions that you would like to bring to the attention of LSDF program staff.

ENHANCING RESEARCH COMPETITIVENESS

B. Notable events that increase competitiveness and dissemination

1. List any publications in peer-reviewed journals, and include citation impact (for previously reported publications, where applicable).
2. List any high-profile presentations or publication in a non peer-reviewed publication.
3. List any recognitions or awards, for you, lab members, department, organization, etc.

C. Non-profit collaborations

1. Have any new collaborations developed during the reporting period as a result of the LSDF-funded work? A collaboration is loosely defined as a working relationship with another investigator, ranging from an exchange of materials or ideas to a new joint research project. If yes, please describe briefly.

(yes/no)

If yes:

If yes, number of collaborations within your organization:

If yes, number of collaborations outside of your organization:

If a collaborator is outside of your organization, list:

and choose/enter the county of that organization if within Washington State or “outside Washington” if not.

HEALTH IMPACTS

D. Health-care impacts of your LSDF-funded work

Answer each of the following questions in an uploaded document, for the current reporting period. Answer each question, with N/A if not applicable to your work. Cite evidence, methodology, measurement criteria, pre/post assessments, etc.

1. Discuss your progress towards improving health outcomes.
2. Discuss your progress towards translating* your work to widespread clinical use.
3. Discuss your progress towards increasing efficiency in the healthcare system.
4. Discuss your progress towards decreasing healthcare costs.
5. Report the number of research subjects enrolled in your LSDF-funded work. This figure should be **cumulative** (to date), **not** for the reporting period.

*”translation” includes commercialization

ECONOMIC IMPACTS

E. Employment impacts associated with LSDF-funded work

1. Complete the tables below, using the average during the reporting period. These are numbers during this reporting period, regardless of previously reported periods. The tables apply to your LSDF-funded work, although one table counts people who are expending effort on your LSDF work but not paid by LSDF funds.

Supported by LSDF funds:

# of individuals	Total FTE	Annual salary range
		<\$20K
		\$20K-\$40K
		\$40K-\$80K
		\$80K-\$120K
		\$120K-\$180K
		>\$180K

Number of LSDF-funded, newly created positions*	
---	--

Not supported by LSDF funds, i.e., expend effort on your LSDF-funded work but do not receive LSDF funds. For example, a postdoc donating 2% time to your LSDF work would count here; a senior investigator attending a seminar on your work would not.

# of individuals	Total FTE	Annual salary range
		<\$20K
		\$20K-\$40K
		\$40K-\$80K
		\$80K-\$120K
		\$120K-\$180K
		>\$180K

2. Describe any notable personnel recruitments, promotions, or retentions related to your LSDF grant during the reporting period. Position types include scientific (postdoctoral fellow and higher rank), medical (house staff, clinical research staff), and key administrative (e.g., high-level coordinators, executive director, program manager) staff.
3. Has your LSDF-funded work resulted in additional economic impacts such as recovered work time for patients?

*All key staff types, including collaborators, are included, e.g., scientific, medical, technical and administrative staff. Patients/subjects/clients are not counted for these purposes.

F. Intellectual property

1. Have you submitted any invention disclosures during the reporting period?
 (yes/no)
 If yes, how many?
 If yes, describe in general terms the subject matter of each disclosure.

2. Have you or your employer applied for or been issued (need to differentiate) any patents during the reporting period? (yes/no)
 If yes, please list each by title, country of filing and reference number:

3. Have you generated any copyrightable material (e.g., software), trademarks, or tangible materials (e.g. cell lines, clones, transgenic mice, software) of commercial value during the reporting period? (yes/no)
 If yes, please describe each material briefly:

4. Report outcomes from your required annual meeting with your organization’s technology transfer office. This question will only apply on the anniversary of your grant start date.

G. Corporate collaboration:

Complete the table below, for the current reporting period. If you have previously reported the information below, but the collaboration is still active or additional benefits have accrued, etc., please report on the current status. Where your answer is none or not applicable, enter None.

Number of companies collaborating in your LSDF-funded work during the reporting period:	
Name(s), city, state, and if in Washington, county of company/ies collaborating in your LSDF-funded work during the reporting period:	
Cash/grants contributed by company/ies to your LSDF-funded work during the reporting period:	
Benefits accruing to company/ies based on participation in your LSDF-funded work during the reporting period:	
Name(s), city, state, and if in Washington, county of company/ies attracted to or retained in Washington during this reporting period:	

H. Licensing activity

During the reporting period:

1. Has there been any licensing activity with start-up companies (generally, a recently formed company that has not received substantial investment capital) for intellectual property or tangible materials produced in your LSDF-funded work?
yes/no

If yes, describe briefly, including city, state, and if in Washington, county of the company/ies:

2. Has there been any licensing activity with established companies (a company that has been in business for an appreciable period of time and that has received substantial investment capital) for intellectual property or tangible materials produced in your LSDF-funded work? yes/no

If yes, describe briefly, including city, state, and if in Washington, county of the company/ies:

Has any licensing or royalty income been received for intellectual property or tangible materials produced in your LSDF-funded work? Yes/no

If yes, please describe briefly:

If yes, please enter total gross income:

I. Start-up companies

1. Have you or your collaborators created a company as a result of or in conjunction with your LSDF-funded work? (yes/no). If yes:
 - a. Describe the source and magnitude of any investment capital raised:
 - b. Is any investment attributable to the results of your LSDF-funded work?
 - c. Have any SBIR/STTR or other grant awards been made to the startup, and if so, please describe and include the grant amount(s):
 - d. What is the total employment at the start-up in FTEs?
 - e. If any students, postdoctoral fellows, medical residents, and other trainees have been hired into the company, please indicate their number (zero if none):
 - f. Does the company have any products in the market? (yes/no). If yes, please describe briefly:

J. Follow-on funding

1. Have you or your collaborators received any grants or gifts enabled by your LSDF funding? (yes/no)
 - a. If yes, what is its/their source (e.g., federal, corporate, foundation)?
 - b. If yes, what is the purpose of the funding?
 - c. If yes, what is its value?
 - d. If yes, how did LSDF funding enable this grant?

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Organization:

Exhibit F: Conflict of Interest Report Form

Proposal title:
Principal investigator:
LSDF reference no.:

The capitalized terms used within this Exhibit F are as defined in the Life Sciences Discovery Fund LSDF 09-01 Grant Award Agreement to which it is appended.

[To be deleted if LSDF brings no understandings forward.] Regarding the Project, Grantor has the following understandings that Grantor believes raise the potential for a conflict of interest to exist between the Principal Investigator's personal interests and his/her responsibilities to Grantee under the Project:

In executing this Conflict of Interest Report Form, Grantee represents and warrants that it has a financial conflict of interest policy in place applicable to performing the Project and that Grantee has taken reasonable steps to inform the Principal Investigator and all personnel performing the Project of the policy and requirements for complying with its terms. In accepting this award, Grantee represents that Grantee has advised the Principal Investigator and Grantee's personnel performing the Project that they are required to disclose, in accordance with the foregoing policy, any potential financial conflicts of interest associated with their participation in the Project to Grantee.

The following individuals have disclosed a financial conflict of interest. Grantee attests that in compliance with its conflict of interest policies it has reviewed all such disclosures and that all disclosed conflicts of interest associated with the Project, including, but not limited to those associated with Grantor's understandings stated above, have been eliminated or mitigated as follows:

Name: _____	Conflict eliminated ___	Conflict mitigated ___
Name: _____	Conflict eliminated ___	Conflict mitigated ___
Name: _____	Conflict eliminated ___	Conflict mitigated ___

If no disclosures were made regarding the Project, please initial below:

___ No financial conflicts of interest associated with the Project were disclosed to Grantee.

Attested to by:
Signature: _____

Name: _____
Title: _____
Date: _____