

**RFP #6: Fund Innovative Research to Expedite Commercialization and Spur Job Growth**

**2013 SAMPLE Grant Award Agreement  
HSSA/Name of Applicant, Company  
Title of Research**

This agreement (“Agreement”) is entered into by the **Health Sciences & Services Authority (HSSA)** (“Grantor”), a granting agency of Spokane County and the State of Washington, with offices at McKinstry Innovation Center, 850 E. Spokane Falls Boulevard, Suite 131, Spokane, WA 99202, and **Name of Applicant, Company** (“Grantee”), having an administrative office at **Applicant’s Address**.

**R E C I T A L S:**

**WHEREAS**, Grantor is authorized by statute of the State of Washington to make grants for the fundamental purpose of promoting bio-science based economic development and to advance new therapies and procedures to combat disease. The HSSA invests funds to create and support a nationally competitive health science research cluster in Spokane County catalyzing connections between higher education and the health care and health sciences industries that lead to high wage jobs, long-term sustainability, and economic diversification; and

**WHEREAS**, Grantee intends to support building health sciences research in accordance with its grant proposal entitled “**[Grant Proposal Title]**,” (hereinafter “Proposal”), as submitted to Grantor; and

**WHEREAS**, the objective of Grantee’s research is to develop a candidate graft for use in a clinically relevant (preclinical) model of cardiovascular testing.

**NOW, THEREFORE**, in consideration of the above recitals which are incorporated herein by this reference 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 the 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. HSSA has awarded Grantee funds not to exceed **[Amount of Grant]** paid over **[Grant Duration]**.

## ARTICLE 2. CONDUCT OF PROJECT

2.1 Reasonable Best Efforts. Grantee agrees to use its “Reasonable Best Efforts” to conduct the Project as described in the **Proposal**, which is incorporated herein as **Exhibit A**. Such Reasonable Best Efforts include without limitation:

- 1) Budget information submitted must be appropriate for the scope and goals of the proposed project. Costs must be associated with the conduct and completion of the proposed research.
- 2) Allocating space, monies, personnel and other resources as necessary;
- 3) Adherence to the Proposal Budget set forth in **Exhibit B**;
- 4) Establishing and accomplishing milestones and outcomes identified in the Proposal and/or Agreement, including **Exhibit F**, and reporting to HSSA the progress of the research;
- 5) All HSSA funds will be spent in Spokane County by the Applicant on his/her research and/or commercialization;
- 6) Documenting number of jobs created locally by this HSSA-funded research project;
- 7) Documenting matching grants; and
- 8) Adherence to all applicable local, state and federal 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 and Control. The Project shall be carried out under the direction, responsibility and accountability of the **Lead Applicant, [Applicant Name]**, as identified in the Proposal, and in a manner consistent with the Proposal, including without limitation: 1) administering the grant in accordance with the terms and conditions of this Agreement; and 2) the conduct, productivity, rights and responsibilities of employees, third party contractors, and collaborators supporting this Project for the Grantee.

In the event that the Lead Applicant changes his or her employment status with the Grantee, relocates outside of Spokane County, or otherwise is unable to fulfill this role during the Grant Period, Grantee shall notify Grantor in writing within 30 days of such an event and identify in writing an alternate Lead Applicant, acceptable to Grantor, to assume leadership of the Project.

2.3 Grant Period. The period in which the Project will be performed (“Grant Period”) is within twelve (12) months from the Effective Date of this Agreement.

### ARTICLE 3. FUNDING AND PAYMENT

3.1 Funding. Grantor has awarded funding to the Grantee in the amount of [**Amount of Grant**]. This grant is to be paid out monthly installments over one year beginning in 2013. Grantee shall provide the Grantor with a **Budget**, which shall be found in **Exhibit B**.

3.2 Supplemental Funding. Grantor will not provide supplemental funding to the Budget.

3.3 Budget Modifications. Monetary shifts of 25 percent or less between categories with a Budget year may be made without advance written approval by Grantor. However, if Grantee proposes expenditures that previously were not 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 must 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 will be required to submit an amended Budget for any extension period. The decision to grant such an extension vests solely in the discretion of the Grantor.

3.4 Allowable Costs. Costs allowable under the grant are based on the Budget and must be consistent with the Grantor'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, or termination of the Project, whichever is earliest, but in no event shall allowable costs exceed the amount of the grant award.

The following direct costs are allowable for F&A support: salaries: (including wages, benefits, stipends, education fee for trainees), equipment at unit prices at or below \$5,000, supplies, services and Project-related travel. The direct costs of equipment at unit prices above \$5,000 are not allowable for F&A support. F&A costs incurred by a for-profit company collaborating with Grantee in the Project are not eligible for payment by Grantor. Costs incurred by a for-profit company, collaborating with Grantee in the Project, for activities performed on a best efforts basis are not allowable within the Budget.

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 or recruitment startup packages, 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 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 will make payments to Grantee for the conduct of the Project on a **cost-reimbursement basis** upon receipt of written invoices, pay stubs, etc. submitted to and approved by the Grantor. Each invoice shall be submitted by the Grantee using Grantor's system with a signed copy sent by mail or other means as specified in Article 17 (NOTICES) herein, and the **Reimbursement Request Form** found in **Exhibit E**. Invoices will be submitted in [**monthly/quarterly**] intervals. Invoices must itemize all allowable costs according to the categories certifying that all expenditures are directly related to the Project and Budget. Grantor

requires expenditure documentation as part of the disbursement process, if reasonably necessary to ensure consistency with 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, or termination of the Project, which is earliest, insofar as those allowable costs do not exceed the amount granted or otherwise available for such purposes as stated in the Budget. The payments will be sent to Grantee via mail.

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, or termination of the Project, whichever is earliest. Failure to comply may result in the 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 if requested. 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, or termination of the Project, whichever is earliest. Financial reports must cover all expenditures made since the previous reporting period. Annual financial reports must 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 all such grant funds have been expended if this Agreement is terminated.

#### **ARTICLE 4. PROGRESS REPORTS**

Grantee shall submit written **quarterly** progress reports to Grantor describing Grantee's progress under the Project. All reports shall be submitted by the Lead Applicant and shall detail the activities of Grantee and Grantee's collaborators during the period covered by the report. The first progress report shall be due three (3) months after the Effective Date of this Agreement and subsequent reports due at quarterly intervals thereafter until the completion of the Project, expiration of the Grant Period, or termination of the Project, whichever is earliest.

The content of **progress reports** is shown in **Exhibit D**. 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 quarterly. Progress reports shall be of sufficient detail to allow Grantor to assess progress made on the Project since the prior report. In the event that a progress report lacks sufficient detail to allow Grantor to assess progress made on the Project, Grantee shall provide Grantor with additional details 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. This disclosure shall be accompanied by a statement of the action taken or proposed to resolve the situation. Grantor will hold all progress reports confidential, subject to the public disclosure laws of the State of Washington (See e.g., RCW 42.56.270(14)). Grantee must 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, or termination of the Project, whichever is earliest.

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 must record the receipt of the grant funds and any Project-related expenditure, 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 after the Grant Period or after the expenditure of all grant funds, whichever comes later, or as otherwise required by state and federal law or requested by Grantor. 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 will 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. OWNERSHIP AND DISPOSITION**

Grantor reserves the right consistent with its Intellectual Property (IP) Policy to require (1) an equity position with the Grantee for any IP that emanates from the Grant Award, or (2) a grant repayment for any IP that emanates from the Grant Award. This right shall be reduced to writing and included as an **Exhibit G** to this Agreement prior to the execution of the Agreement or it shall be waived by the Grantor. Grantee agrees to use Commercially Reasonable Efforts to Commercialize such technology or intellectual property.

#### **ARTICLE 7. CONFLICT OF INTEREST**

Grantee represents and warrants that it has a conflict of interest policy in place applicable to performing the Project and that Grantee has taken reasonable steps to inform the Lead Applicant 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 Lead Applicant 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 not 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 collaborators in the Project are aware of and have agreed to comply with the provisions of this Article.

At execution of this Agreement, Grantee shall provide to grantor a **Conflict of Interest** written statement affirming Grantor's understandings, as expressed in **Exhibit E** 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. Such written statement shall be provided to HSSA according to the form provided in **Exhibit E**. Statements shall include the Grantor reference number or project title, the Grantee, the name of the Lead Applicant, and the name(s) of the personnel having disclosed a financial conflict of interest.

In the event that new 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 6.

Upon the request of Grantor, Grantee shall provide in writing information about any conflicts of interest that have been disclosed subject to this Article 6 and about how the disclosed conflicts have been eliminated or mitigated. As further requested by Grantor, Grantee shall provide any additional information known by Grantee with respect to other potential 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 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 S-Corporation for Federal Income Tax purposes. Grantee agrees to notify Grantor immediately of any change or expected change in its status.

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 that activities set forth in the Milestones and Timeline and Timeline involve the use of human subjects, Grantee shall ensure that all performance sites operate under an appropriate Office of Human Research Protections (OHRP)-approved assurance for the protection of human subjects and comply with all Department of Health and Human

Services human subjects related policies and any other applicable laws or regulations. In accepting a Grant involving human subjects use in activities set forth in the Milestones and Timeline, Grantee warrants that, prior to their commencement, such activities shall be reviewed and approved by [**Add name of oversight body here**] as compliant with federal, state, and local government regulations to protect the rights, well-being, and personal privacy of human subjects in research. Upon request by Grantor, Grantee shall provide documentation of review and approval by the applicable oversight bodies of all human subjects activities set forth in the Milestones and Timeline.

10.2 Vertebrate Animals. In the event that activities set forth in the Milestones and Timeline involve the use of vertebrate animals, Grantee shall ensure that all performance sites hold Office of Laboratory Animal Welfare (OLAW)-approved assurances. In accepting a Grant involving vertebrate animal use in activities set forth in the Milestones and Timeline, Grantee warrants that, prior to their commencement, such activities shall be reviewed and approved by [**Add name of oversight body here**] as compliant with federal, state, and local government regulations to humanely, efficiently, effectively and legally use live vertebrate animals in research. Upon request by Grantor, Grantee shall provide documentation of review and approval by the applicable oversight bodies of all vertebrate animal activities set forth in the Milestones and Timeline.

10.3 Use and Approval. At execution of this Agreement, Grantee shall document in writing to HSSA information set forth in the Milestones and Timeline involve the use of vertebrate animals and human subjects, and if so, the status of review and approval by the applicable oversight bodies.

## **ARTICLE 11. TERMINATION**

11.1 Termination by Grantor. Grantor may terminate this Agreement at its sole discretion upon 60 days advance written notice to Grantee. 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 prior to 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 Grantor, Grantor shall be entitled to take title and possession of any equipment purchased by Grantee for the Project with funding provided under this Agreement.

11.2 Termination by Grantor for Material Breach by Grantee. Grantor shall have the right to terminate this Agreement upon the occurrence of any material breach by Grantee of any of the terms and conditions herein that is not cured to the satisfaction of Grantor as provided in Section 11.3.

11.3 Exercise. Grantor may terminate this Agreement for material breach 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 at its sole discretion that it accepts the cure. Upon exercise of its right to terminate, and providing notice as set forth herein, Grantor reserves the right to withhold further payments and prohibit Grantee from incurring additional obligations of funds

for the Project or request reimbursement of any Advance Payment not expended to the date of termination.

11.4 Termination by Grantee. Grantee may terminate this Agreement at its sole discretion upon 60 days 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 purchased by Grantee for the Project with funding provided under this Agreement.

11.5 Effects. Upon termination of this Agreement, and in addition to any other provisions provided for in the Agreement, Grantor shall have no further obligation to disburse grant funds to Grantee, whether or not the entire grant 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 by either party, 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 as described in Article 2.1 above; and
- (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.

11.6 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, Conduct of Project; Article 3, Funding and Payment; Article 4, Progress Reports; Article 5, Accounting and Auditing; Article 6, Conflict of Interest; Article 7, Presentations and Publications by Grantee; Article 9, Termination; Article 10, Communications and Public Disclosures by Grantor; Article 13, Relationship of the Parties; Article 14, Governing Law; and Article 20, Disputes.



## **ARTICLE 12. COMMUNICATIONS AND PUBLIC DISCLOSURES BY GRANTOR**

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

## **ARTICLE 13. INDEMNIFICATION**

To the fullest extent permitted by law, Grantee and Grantor shall indemnify, defend, and hold harmless each other and all officials, agents and employees of both Grantee and Grantor, from and against all claims for injuries or death arising out of or resulting from the performance of their respective obligations under this Agreement.

"Claim," as used in this Agreement, means any financial loss, claim, suit, action, damage or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting there from. Grantee's or Grantor's obligations to indemnify, defend, and hold harmless includes any claim by Grantee's or Grantor's agents, employees, representatives, or any sub-contractor or its employees.

## **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

## **ARTICLE 16. GOVERNING LAW**

This Agreement has and shall be construed as having been made and delivered in the State of Washington and the laws of the State of Washington shall be applicable to its construction and enforcement. Any action at law, suit in equity or judicial proceeding for the enforcement of this Agreement or any provision hereto shall be instituted only in courts of competent jurisdiction within Spokane County, Washington.

**ARTICLE 17. ASSIGNMENT**

This Agreement shall be null and void if assigned by Grantee without the advance written consent of Grantor.

**ARTICLE 18. NO ORAL MODIFICATIONS**

Except as may be provided for to the contrary herein, this Agreement may not be changed, modified or amended except by express written agreement of the Parties executed by their authorized representation.

**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 hours of the recipient. Any communication or notice given by personal delivery shall be effective when actually delivered. 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:*

**Nancy Isserlis, Board Chair**  
Health Sciences & Services Authority  
McKinstry Innovation Center  
850 E. Spokane Falls Boulevard  
Suite 131  
Spokane, WA 99202  
Tel: (509) 483-5985  
Email: [info@hssaspokane.org](mailto:info@hssaspokane.org)

*Notices to Grantee:*

**Applicant Name**  
Applicant Title  
Company Name  
Company Address  
\_\_\_\_\_  
Spokane, WA 99 \_\_\_\_  
Tel: (509) \_\_\_\_ - \_\_\_\_  
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.

All remedies provided in this Agreement are distinct and cumulative to any other right or remedy

under this Agreement or afforded by law or equity, and may be exercised independently, concurrently, or successively therewith.

Either party hereby agrees to immediately notify the other party of any change in conditions or any other event, which may significantly affect the terms of the Agreement or the parties ability to perform under the 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. 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.

All disputes, claims, and questions of any kind or nature whatsoever regarding the rights and obligations of the Grantor and Grantee under the terms of this Agreement which cannot be resolved between the Parties shall be subject to binding arbitration but only after undertaking a good faith effort to resolve the matter amicably as described above.

Grantor or Grantee may make a demand for arbitration by filing such a demand in writing with the other party. The demand shall be made within fourteen (14) calendar days after a dispute, claim or question arises.

If Grantor and Grantee agree on the selection of an arbitrator within seven (7) calendar days of the written arbitration request, there shall be only one arbitrator. If no agreement is reached within fourteen (14) calendar days after demand for arbitration, there shall be three arbitrators, one named in writing by the Grantor within fourteen (14) calendar days after demand for arbitration, and a second by the Grantee within fourteen (14) calendar days after demand for arbitration, and a third chosen by the two who are appointed within seven (7) calendar days after the two are appointed.

If there is one arbitrator, his/her decision shall be binding. If there are three arbitrators, the decision of any two of them shall be binding.

The decision of the arbitrator or arbitrator panel shall be binding on both Parties and shall not be subject to appeal to any judicial forum.

No one shall act an arbitrator who is in any way financially interested in the Agreement or in the business affairs of either the Grantor or Grantee.

Should either Grantor or Grantee refuse or neglect to appoint an arbitrator or to finish the arbitrator(s) with necessary papers or information, the arbitrators are empowered by both Parties to proceed ex parte.

The arbitrators shall fix their own compensation, unless otherwise agreed, and shall assess the costs and charges of the arbitration on either or both of the Parties as deemed appropriate.

**ARTICLE 23. 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 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.

**ARTICLE 24: REPRESENTATIVES**

The Grantor hereby appoints and Grantee hereby accepts the Grantor's Board Chair or his/her designee, as the Grantor's liaison for the purpose of administering this Agreement. Grantee hereby appoints and Grantor hereby accepts David J. Vachon, or his/her designee, as the liaison for the purpose of administering this Agreement.

**ARTICLE 25: HEADINGS**

The Section headings in this Agreement have been inserted solely for the purpose of convenience and ready-reference. In no way do they purport to, and shall not be deemed to, define, limit or extend the scope or intent of the Sections to which they pertain.

**ARTICLE 26: INSURANCE**

The Grantee shall provide insurance coverage that shall be maintained in full force and effect during the term of this Grant, as follows:

**Commercial General Liability Insurance Policy.** Provide a Commercial General Liability Insurance Policy, including contractual liability, written on an occurrence basis in adequate quantity to protect against legal liability arising out of Agreement activity but no less than \$1,000,000 per occurrence. Additionally, the Grantee is responsible for ensuring that any Subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

**Automobile Liability.** In the event that performance pursuant to this Agreement involves the use of vehicles, owned or operated by the Grantee, or its Subcontractors, automobile liability insurance shall be required. The minimum limit for automobile liability is \$1,000,000 per occurrence, using a Combined Single Limit for bodily injury and property damage.

**Professional Liability, Errors and Omissions Insurance.** The Grantee shall maintain Professional Liability or Errors and Omissions Insurance. The Grantee shall maintain

minimum limits of no less than \$1,000,000 per occurrence to cover all activities by the Grantee and licensed staff employed or under Agreement to the Grantee.

With prior approval from Grantor, the Grantee may provide the coverage above under a self-insured/liability pool or self-insured risk management program. In order to obtain permission from the Grantor, the Grantee shall provide: (1) a description of its self-insurance program, and (2) a certificate and/or letter of coverage that outlines coverage limits and deductibles. All self-insured risk management programs or self-insured/liability pool financial reports must comply with Generally Accepted Accounting Principles (GAAP) and adhere to accounting standards promulgated by: 1) Governmental Accounting Standards Board (GASB), 2) Financial Accounting Standards Board (FASB), and 3) the Washington State Auditor's annual instructions for financial reporting. Grantee's participating in joint risk pools shall maintain sufficient documentation to support the aggregate claim liability information reported on the balance sheet. Grantee need not be named as additional insured under a self-insured property/liability pool, if the pool is prohibited from naming third parties as additional insured.

Grantee shall provide annually to Grantor a summary of coverages and a letter of self-insurance, evidencing continued coverage under Grantee's self-insured/liability pool or self-insured risk management program. Such annual summary of coverage and letter of self-insurance will be provided no later than on the anniversary of the Effective Date of this Agreement.

#### **ARTICLE 27: SEVERABILITY**

It is understood and agreed between the Parties that if any parts, terms or provisions of this Agreement are held by the courts to be illegal, the validity of the remaining portions or provisions shall not be affected and the rights and obligations of the Parties shall not be affected in regard to the remainder of the agreement. If it should appear that any part, term or provision of this Agreement is in conflict with any statutory provisions of the State of Washington, then the part, term or provision thereof that may be in conflict shall be deemed inoperative and null and void insofar as it may be in conflict therewith and this Agreement shall be deemed to modify to conform to such statutory provision.

#### **ARTICLE 28: EXECUTION AND APPROVAL**

**The Parties warrant that the officers/individuals executing below have been duly authorized to act for and on behalf of the Party for purposes of confirming this Agreement.**

**ARTICLE 29: COUNTERPARTS**

**This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same.**

**ARTICLE 30: NON-DISCRIMINATION**

**The Parties hereto specifically agree that no person shall, on the grounds of race, creed, color, sex, sexual orientation, national origin, marital status, age or the presence of any sensory, mental or physical disability or Vietnam era or disabled veterans status be excluded from full employment rights and participation in, or be denied benefits of, or be otherwise subject to, discrimination in conjunction with any Project as described in the Proposal funded under the terms of this Agreement.**

**ARTICLE 31. SPOKANE COUNTY PRESENCE**

As partial consideration for the Grant, Grantee shall maintain a substantial presence in Spokane County, Washington during the Grant Period conducting the research described in the proposal for which this Grant was awarded and for three years thereafter. Such substantial presence shall be determined by Grantor, who in making such determination, shall weigh a variety of factors, including, but not limited to: levels of Grantee’s full time equivalent employees who are residents of Spokane County, Washington and their compensation, each relative to Grantee’s other sites; location of Grantee’s research and development, administrative, or manufacturing facilities; payment of Washington Business and Occupation or **other taxes; or any combination of such factors.**

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed on the date associated with their signature block.

Grantee

Grantor

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

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

Name: **Applicant Name**

Name: **Nancy L. Isserlis**

Title: Applicant Title  
Company Name

Title: HSSA Board Chair

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

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

## **Exhibit A: Proposal**

## **EXHIBIT B: Project Budget**



**EXHIBIT C: Reimbursement Request Form**

*(The HSSA Reimbursement Form will be provide electronically to Grantee by Grantor).*

## EXHIBIT D

### [Quarterly et al TBD]Progress Report Form Content

#### HSSA Grant Quarterly Progress Report Template

HSSA 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 HSSA Board of Directors, Spokane County and the public. HSSA anticipates that the work of its grantees will have a wide variety of impacts – in life sciences competitiveness, health sciences and health care, and the economy – some difficult to measure. To help analyze the impact of its awards, HSSA requires quarterly progress reports during the term of a grant. Reports are due immediately after each three-month period. Post-award reports are also required but are discussed separately.

This is the template for submitting progress reports to HSSA. **Unless otherwise indicated, report only on your HSSA-funded work.**

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 HSSA-funded work

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

- Identify milestones for the entire research period, and then report on milestones achieved applicable to the reporting period or explain why they were not achieved.
- Describe the significant events during the reporting period, key findings, changes in personnel, unanticipated obstructions, notable results, etc.
- Describe any issues or questions that you would like to bring to the attention of HSSA program staff.

#### HEALTH SCIENCES – RESEARCH AND INFRASTRUCTURE

##### B. Notable events that increase competitiveness and dissemination examples

- Document additional follow-on funding secured by [Company Name] related to this HSSA grant.
- Describe additional infrastructure development
- Number of technology license agreements
- Patent applications, patents received
- New business start-ups.
- List any publications in peer-reviewed journals, and include citation impact (for

previously reported publications, where applicable).

- List any high-profile presentations or publication in a non-peer-reviewed publication.
- List any recognitions or awards, for you, lab members, department, organization, etc.
- Employment or contract hires.

**C. Collaboration**

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

## **HEALTH SERVICES IMPACTS**

**D. Health-care impacts of your HSSA-funded work that increase access for underserved people in Spokane County.**

- Number of underserved people in Spokane County who earn less than 200% of the Federal Poverty Level who access health services via HSSA funds, particularly against a baseline prior to HSSA funding.
- Number of discrete services provided by funding recipients (diagnostic evaluations, hospital care, professional services, medical equipment, etc.) through grant-funded activities.
- Number of volunteers engaged in grant recipients' service.

**E. Answer each of the following questions for your current reporting period. If not applicable, please indicate so with N/A. Cite evidence, methodology, measurement criteria, pre-post assessments, etc.**

- Discuss your progress towards improving health outcomes.
- Discuss your progress towards translating your work to widespread clinical use.
- Discuss your progress towards increasing efficiency in the healthcare system.
- Discuss your progress towards decreasing healthcare costs.
- Did your HSSA-funded work leverage additional funding? If so, describe.
- Report the number of research subjects enrolled in your HSSA-funded work. This figure should be cumulative (to date), not for the reporting period.

## **ECONOMIC IMPACTS (ALL GRANT RECIPIENTS ANSWER)**

**F. Employment impacts associated with HSSA-funded work**

- 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 HSSA-funded work, although one table counts people who are expending effort on your HSSA work but not paid by HSSA funds.

Supported by HSSA funds:

# of individuals	FTE (0.05-1.0)	Annual salary range
		<\$20K
		\$20K-\$40K
		\$40K-\$80K
		\$80K-\$120K
		\$120K-\$180K
		>\$180K

<b>Number of HSSA-funded, newly created positions*</b>	
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Not supported by HSSA funds, i.e. expend effort on your HSSA-funded work but do not receive HSSA funds. For example, a postdoc donating 2% time to your HSSA work would count here; a senior investigator attending a seminar on your work would not.

# of individuals	FTE (0.05-1.0)	Annual salary range
		<\$20K
		\$20K-\$40K
		\$40K-\$80K
		\$80K-\$120K
		\$120K-\$180K
		>\$180K

- Describe any notable personnel requirements, promotions, or retentions related to your HSSA grant during the reporting period. Position types include scientific (postdoc fellow and higher rank), medical (house staff, clinical research staff), and key administrative (e.g. high-level coordinators, executive director, program manager) staff.
- Has your HSSA-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.

**G. Follow-on funding**

- Have you or your collaborators received any grants or gifts enabled by your HSSA funding? Please define amount, source, purpose and value.

**H. Research Opportunities**

- Describe how your grant may help create a robust research environment in Spokane County by validating the capabilities and resources here.

**EXHIBIT E: Conflict of Interest Report Form**

[To be printed on the letterhead of the grant recipient organization and executed contemporaneously with the grant agreement]

Proposed Title:  
Lead Applicant:

The capitalized terms used within this **Exhibit E** are as defined in the Health Sciences and Services Authority 2011 Grant Award Agreement to which it is appended.

Regarding the Project, Grantor has the following understandings that Grantor believes raise the potential for a conflict of interest to exist between the Lead Applicant’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 Lead Applicant 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 Lead Applicant 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: \_\_\_\_\_

**EXHIBIT F: MILESTONES & TIMELINE**