

The Golden LEAF Foundation

GRANTEE ACKNOWLEDGMENT AND AGREEMENT

1. Grantee:
2. Project Title:
3. Purpose of Grant:
4. Amount of Grant:
5. Award Date: Start Date: _____
6. Special Terms and Conditions Applicable to Grant:
 - The term of the grant is «Request_Term_Months» months.
 - Grantee agrees to submit a revised budget to the Foundation for approval.
 - Budget modifications must be submitted to Golden LEAF for approval prior to expending funds on modified budget lines.
 - Release of grant funds is contingent on Grantee attendance at a Golden LEAF grants management workshop or satisfactory consultation with staff to gain training in management of Golden LEAF grants and reporting requirements.
 - Prior to the release of grant funds, the Grantee agrees to provide the Foundation with a copy of the organization's policy regarding conflicts of interest. The policy must be adopted by the grantee's board of directors.
 - Grantee agrees, as part of Golden LEAF reporting requirements, to collect economic impact data regarding the program annually FOR FIVE YEARS beyond the grant period, and to provide that data to Golden LEAF upon request.
7. The Grantee confirms that the Internal Revenue Service has determined that the Grantee is now an organization described in Section 501(c) (3) of the Internal Revenue Code of 1986, as amended, or is a federal, state or local governmental unit. Grantee agrees to notify the Foundation promptly if the Grantee's tax-exempt status is revoked or modified in any way. It agrees that it will use the funds from this grant only for charitable, educational, or scientific purposes within the meaning of Section 501(c)(3) of the Code, and that it will not use the funds from this grant in any way that would result in or give rise to private inurement or private benefit. The Grantee agrees that no funds from this grant will be used to carry on propaganda or otherwise to attempt to influence legislation, to influence the outcome of any public election, or to carry on directly or indirectly any voter registration drive. The Grantee agrees that it will not use any of these grant funds to make any grant that does not comply with the requirements of Section 4945(d)(3) or (4) of the Code or to undertake any activity for any purpose other than one specified in Section 170(c)(2)(B) of the Code. Unless otherwise agreed by the Foundation, no portion of the Grantee's rights or obligations under this Agreement may be transferred or assigned to any other entity.
8. The Grantee accepts and will retain full control of the disposition of funds awarded to the Grantee by the Foundation under this grant, and accepts and will retain full responsibility for compliance with the terms and conditions of the grant. Grant funds shall be utilized exclusively for the purposes set forth above, and if any portion of the grant is not used for these purposes, the Grantee agrees to repay such portion to the Foundation. If the Grantee breaches any of the covenants or agreements contained in this Agreement, or any of the representations and warranties are untrue as to a material fact, the Grantee agrees to repay to the Foundation the

full amount of this grant. Any condition, purpose, term or provision in the Foundation's resolution approving funding or in this Agreement shall take precedence over any conflicting provision in the Grantee's application.

9. The Grantee is in material compliance with all federal, state, county, and local laws, regulations, and orders that are applicable to the Grantee, and the Grantee has timely filed with the proper governmental authorities all statements and reports required by the laws, regulations, and orders to which the Grantee is subject. There is no litigation, claim, action, suit, proceeding or governmental investigation pending against the Grantee, and there is no pending or (to the Grantee's knowledge) threatened litigation, claim, action, suit, proceeding or governmental investigation against the Grantee that could reasonably be expected to have a material adverse effect upon the Grantee's ability to carry out this grant in accordance with its terms. The Grantee has timely paid all judgments, claims, and federal, state, and local taxes payable by the Grantee the non-payment of which might result in a lien on any of the Grantee's assets or might otherwise adversely affect the Grantee's ability to carry out this grant in accordance with its terms.
10. The Grantee agrees to immediately notify the Foundation of anything that may materially affect the Grantee's ability to perform the project funded. If the Grantee proposes to modify the budget, the objectives, or any other feature of the project funded, it shall not expend any funds from this grant for such purposes unless the Foundation has approved such proposed modifications in writing. Moreover, no further payments shall be made to the Grantee in connection with the project funded unless and until the Foundation has approved such proposed modifications in writing.
11. The Grantee acknowledges that grant funds shall be paid to the Grantee only when those sums are needed to carry out the project funded and the Grantee has submitted a written request for payment. A sum equal to twenty percent (20%) of the total amount of the grant will be retained by the Foundation until the Grantee completes its obligations under this grant, including its submission of a final report on the project funded. Each request for payment shall be in writing and shall certify that the Grantee has performed in accordance with the terms and provisions of its Grantee Acknowledgment and Agreement, and that such Grantee is entitled under the terms of such Agreement to receive the amount so requested. Each request should be made to Ms. Valeria L. Lee, President, The Golden LEAF Foundation, 107 SE Main Street, Suite 500, Rocky Mount, NC 27801. Payment should not be requested until the Grantee has need for actual expenditures of the funds. Grantee should request payment at least thirty (30) days prior to its desired payment date. All requirements under this Grantee Acknowledgment and Agreement must be met before payment will be made. If the grant is conditional or contingent, all conditions and contingencies must be met before payment will be made.
12. The Grantee agrees to submit an Interim Report to the Foundation annually, to be received by the Foundation by June 30. The Grantee agrees to submit a Final Report for receipt by the Foundation within sixty (60) days after the completion of all obligations for the project funded. The Grantee will furnish additional or further reports if so requested by the Foundation on forms prescribed by the Foundation. Failure to submit a required report by the scheduled submission date will result in the withholding of any subsequent grant payment until the Foundation receives the delinquent report.
13. The Grantee agrees to maintain full, accurate and verifiable financial records, supporting documents, and all other pertinent data for the project funded in such a manner so as to identify and document clearly the expenditure of Foundation funds provided, separate from accounts for other awards, monetary contributions, or other revenue sources for the project funded. The Grantee agrees to retain all financial records, supporting documents, and all other pertinent records related to the project funded for a period of five (5) years from the end of the grant funding period. In the event such records are audited, all project records shall be retained beyond such five-year period until all audit findings have been resolved. The Grantee shall make available to the Foundation, or the Foundation's designated representative, all of the Grantee's records that relate to the project funded, and shall allow the Foundation or the Foundation's representative to audit, examine and copy any data, documents, proceedings, records and notes of activity relating to the project. Access to these records

14. The North Carolina State Auditor considers the funds from this grant to be “State funds” as that term is used in Section 143C-6-23, North Carolina General Statutes, and the accompanying regulations. The Grantee agrees to comply with audit and reporting requirements imposed by the North Carolina State Auditor on recipients of “State funds.”

15. In consideration of its receipt of funds granted by the Foundation, the Grantee agrees that during the course of the project funded by the grant, the Grantee, and any recipient of grant funds, will promptly disclose to the Foundation any improvements, inventions, developments, discoveries, innovations, systems, techniques, ideas, processes, programs, and other things, whether patentable or unpatentable, that result from any work performed by or for the Grantee in connection with the project funded, or by individuals whose work is funded by the grant (the “New Developments”). If Grantee notifies the Foundation of any Invention Disclosure Reports it receives from Grantee employees that report making inventions under this Agreement, then Grantee will be deemed to have satisfied the disclosure requirement in the preceding sentence.

The Grantee agrees that it, and any recipient of grant funds, shall take all reasonably appropriate actions to assure that the New Developments shall be and remain the sole and exclusive property of the Grantee. In the event that the interests of the public would be served by commercialization of the New Developments, the Grantee agrees to use its best reasonable efforts to pursue the commercialization of any such New Developments in a manner that will serve the interests of the public, including but not limited to the transfer, assignment or licensing of such New Developments; provided, however, that the Grantee, and any recipient of grant funds, shall not transfer, assign or license such New Developments in part or in whole without first having obtained the written consent of the Foundation.

Any revenue generated as a result of transferring, assigning, or licensing New Developments will be managed by the Grantee in accordance with its published patent, copyright and technology transfer procedures, if any, and in the absence of such procedures such revenue will be managed by the Grantee in accordance with procedures approved by the Foundation. Such procedures typically will prioritize the distribution of revenues to insure that the Grantee first honors its obligation to its inventors and then to cover its own out-of-pocket expenses as necessary to protect its intellectual property.

16. The Grantee and Foundation further agree that should there be any revenue generated greater than that necessary to meet the obligations of the preceding paragraph (“Net Revenue”), the Net Revenue shall be managed by the Grantee as follows:

- 1) 15% of the Net Revenue will be retained by the Grantee as a fee for the management and distribution of funds as required under this Agreement.
- 2) 30% of the remaining Net Revenue will be paid to the Foundation.
- 3) 70% of the remaining Net Revenue will be retained by the Grantee and used in accordance with the procedures referenced in Section 15, above.

The Grantee's obligations pursuant to this Section will continue beyond the expiration of the funding period.

17. The Grantee acknowledges and agrees that the Grantee is an entity independent from the Foundation, and is not an agent of the Foundation, and is not authorized to bind the Foundation to any agreement of payment for goods or services. The Grantee is responsible for payment of all its expenses, including rent, office expenses and all forms of compensation to employees. It shall provide workers compensation insurance to the extent required for its operations and shall accept full responsibility for payments of unemployment compensation, social security, income taxes and any other charges, taxes or payroll deductions required by law in connection with its operations, for itself and its employees. All expenses incurred by the Grantee are the sole responsibility of the

Grantee, and the Foundation shall not be liable for the payment of any obligations incurred in the performance of the project funded.

18. The Grantee acknowledges receipt of the following statement of the Foundation's policy regarding termination and rescission of grants. The Grantee acknowledges that the Foundation may, from time to time, amend its policy regarding termination and rescission of grants, and the Grantee acknowledges that the Grantee will be subject to the policy as so amended.

Rescission and Termination of Grants. Rescission of a grant revokes the grant award. When funds have been disbursed to a Grantee by the Foundation and a grant is rescinded, the Grantee may be liable for repayment to the Foundation of any and all grant funds received by the Grantee under the grant. Termination of a grant ends the grant on a going-forward basis, and the Grantee is liable for repayment to the Foundation only of that portion of the grant funds that has been disbursed to but not expended by the Grantee in accordance with the terms of the grant.

A grant may be rescinded or terminated at any time, at the discretion of the Foundation, for reasons including the following:

- a. The Grantee has not signed and delivered to the Foundation the Grantee Acknowledgment and Agreement within four (4) months of the date it was sent to the Grantee.
- b. The Grantee has failed to complete the project within the time established by the Grantee Acknowledgment and Agreement or any extensions thereof.
- c. The Grantee's tax-exempt status has been modified or revoked.
- d. The Grantee is unable, or has failed or refused, to comply with a material term or condition of the grant.
- e. The Grantee has experienced a change in circumstances that would have a material adverse effect upon the Grantee's ability to accomplish fully the purposes of the grant (e.g., loss of collateral funding, loss of key personnel, etc.).
- f. The Grantee has failed or refused to submit a report, statement, accounting or return required under the Grantee Acknowledgment and Agreement or by applicable law.
- g. The Grantee has materially modified its budget for the project, and such material modification has not been approved by the Foundation.
- h. The Grantee commits a material violation of the Internal Revenue Code, or uses funds for some purpose not permitted by the Internal Revenue Code or for some purpose not contemplated by the grant.
- i. The Grantee breaches any of the covenants or agreements contained in the Grantee Acknowledgment and Agreement, or any of the representations and warranties made by the Grantee in the Grantee Acknowledgment and Agreement is untrue as to a material fact.
- j. The Grantee requests that the grant be rescinded or terminated.

It is anticipated that a grant will be rescinded if one of the reasons set forth above exists and no grant funds have been disbursed. Where grant funds have been disbursed, it is anticipated that a grant will be rescinded in the case of the more serious violations (including, without limitation, use of Foundation funds for some purpose not contemplated by the grant or in violation of the Internal Revenue Code, or upon other affirmative misconduct of the Grantee), and that termination of a grant will take place in the case of the less serious instances of noncompliance.

If the Board of Directors of the Foundation determines that a grant should be rescinded or terminated, the Foundation will notify the Grantee of that decision. In the discretion of the Foundation, where the Grantee can correct the noncompliance, the Foundation may notify the Grantee that the grant is subject to rescission or termination unless the Grantee, within thirty (30) days of the date upon which such notice is sent: (1) remedies the situation in accordance with the instructions of the Foundation; (2) requests and receives an extension of time within which to comply; or (3) requests and receives a modification of the terms of the grant,

and complies with the terms of the grant as modified. If the Foundation allows the Grantee the opportunity to correct the noncompliance, no further funds shall be advanced pursuant to the grant until the noncompliance is remedied.

19. The Grantee shall not discriminate by reason of age, race, ethnicity, religion, color, sex, national origin, or handicap related to the activities of a project funded by the Foundation.
20. All publicity and printed materials regarding projects or activities supported in whole or in part by this grant should contain the following language: "This project received support from The Golden LEAF Foundation." The Golden LEAF logo (digital versions of which can be downloaded from the Golden LEAF website at www.goldenleaf.org) is to be displayed in all of the Grantee's publicity and printed materials relating to this grant.
21. The individual signing below certifies his or her authority to execute this Agreement on behalf of the Grantee. By executing this Agreement, the Grantee, to induce the Foundation to make this grant, makes each of the representations set forth hereinabove and certifies that each of such representations is true, accurate and complete as of the date hereof.

IN WITNESS WHEREOF, the Grantee has executed this Agreement this ___ day of _____, 20__.

Name of Grantee Organization (print): _____

Signature: _____

Name of Person Signing (print): _____

Title of Person Signing (print): _____

Date: _____