



# Development Loan

A Component of the MTI Business Innovation Program

## Application Instructions

### Key Dates:

Application Submission – March 1, 2012 by 5:00 PM (EST)

Loan Notification – June 19, 2012

Future Submissions – July 2012 and November 2012

### MTI Contact:

Phone: 207.582.4790

Email: [info@mainetechnology.org](mailto:info@mainetechnology.org)

For more information about the Development Loan, please visit our website at <http://www.mainetechnology.org/fund/development-loan>

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**APPLICATION REQUIREMENTS: Prior to Submission of a Development Loan Application  
MTI Requires a Concept Review Meeting with MTI Business Innovation Staff.**

Due Date	March 1, 2012 by 5:00 PM (EST)
Submit on-line	In order to access the online submission tool log into your account at: <a href="http://www.mainetechnology.org/account/login">http://www.mainetechnology.org/account/login</a>
Delivery address	Maine Technology Institute (MTI) 8 Venture Avenue, Brunswick Landing, Brunswick, ME 04011
Application format	See Application Elements
Application layout	12 point or larger font 1” Margins Single-sided, Black & white or grayscale Do not bind/staple or use covers Label each section & list the application number on each page

*All applications should be presented in a **narrative format** with the use of diagrams, data, tables and charts as needed.*

# OVERVIEW

## Goals and Objectives of the MTI Business Innovation Program

The MTI Business Innovation Program provides financial and business development support that helps Maine entrepreneurs, businesses, universities and institutions bring new technologies, products, services and processes to the market with financial and technical assistance along the development and company life cycle.

The Program consists of grants and investment that cost share early-stage foundational and planning activity and help Maine leverage external R&D funding such as the Federal Small Business Innovation Research/Small Business Technology Transfer Program and equity capital funding further along the commercialization and growth continuum. Applications are typically competitively reviewed and typically require at least a 1:1 ratio of external funding for every dollar of MTI investment. MTI funding helps leverage the capital required to develop and market the technology and results in positive economic impact within Maine.

## Confidentiality

MTI maintains the confidentiality of applications, reports and other information submitted to MTI, with the exception of selected text from the application cover page (Form A) and information contained in the “Non-confidential Project Summary.” An MTI Board of Directors, Technology Board members, Peer Reviewers, other consultants, and staff are required to sign and adhere to a non-disclosure agreement and conflict of interest policy statement (both forms are available at: [www.mainetechnology.org](http://www.mainetechnology.org)).

## Pre-Application Concept Review

Prior to submission of an MTI Development Loan Application ALL entrepreneurs, companies and institutional teams are required to meet with a member(s) of the MTI Business Innovation Program staff to review their project concept and organization via an in-person informal or formal presentation and discuss its fit within the program. It is helpful to provide written materials prior to the meeting.

Please contact MTI for additional information or to schedule a pre-application meeting with a member(s) of the MTI Business Innovation staff. MTI will make its best effort to schedule in a timely manner. In the case where an in-person review is not practical or timely, remote methods or conference calls may be arranged. MTI welcomes your interest!

## Development Loan Specifications

Development Loans will be approved three times each year. Each loan requires a 1:1 match consisting of actual cash, salaries, staff time, or equipment directly attributable to the proposed project. Full loan disbursement will be contingent on MTI staff review and approval of each 6 month period scope of work completed and expenditures.

## Who is eligible to apply?

Maine entrepreneurs, Maine-based companies and non-profit research institutions and universities with operations in the state of Maine requesting funds to develop, transfer and advance technologies into the commercial market are eligible. *A Maine-based company is registered to do business in the State of Maine with definitive plans to create and/or retain quality jobs in Maine. Loan recipients must have a significant base of operations in Maine prior to signing their MTI Development Loan Agreement.*

- Companies with a significant base of operations/location in Maine and registered to do business in the State of Maine may submit an application.
- Companies with no current Maine operations must demonstrate a clear plan to locate or base significant operations in Maine and execute on such plans prior to execution of the Development Loan Agreement.
- Academic and research laboratories (Technology Transfer) – Competitive Technology Transfer applications will have a realistic expectation that the innovation/technology will be further developed and/or commercialized by partners, or licensees. Technology Transfer Development Loans are expected to fund projects where a majority of the project execution rests within Maine-based private and public academic or research institutions.
- The technology research and development projects submitted must:
  - Demonstrate a high potential for economic benefit to Maine.
  - Fall within one of Maine’s targeted technology sectors.
  - Include one of the following commercialization stages (see page 18).
  - All projects require a minimum of 1:1 matching investment contribution.
  - All applications must comply with all the requirements of this Application.

### **Economic benefit to Maine**

Projects funded by the MTI must show a **high potential for significant economic benefit to Maine**. Outcome measures will include some of the following benefits:

- Creation or Retention of Jobs
- increased competitiveness
- increased sales and revenue
- patents, trademarks and/or licenses
- firm survival and growth
- additional company investments
- infrastructure investments by the company
- increasing Maine’s capacity for R&D
- additional outside investment into the company

### **Maine’s seven targeted technology sectors**

Projects funded by the MTI must fall within one of Maine’s targeted technology sectors:

- Advanced Technologies for Forestry & Agriculture
- Aquaculture and Marine Technology
- Biotechnology
- Precision Manufacturing Technology
- Composite Materials Technology
- Environmental Technology
- Information Technology

### **Development Loan Agreement**

If a project is selected for a Development Loan, the Agreement must be signed by the applicant within 6 months of loan decision by the MTI Board of Directors (BOD). If the agreement is not signed within 6 months, the loan will be forfeited and funding reallocated. The current Agreement will be available at: <http://www.mainetechnology.org>.

### **Reporting Requirements and Interaction with MTI**

In addition to the final report, the company is required to submit the following, which enable MTI to track project progress and steward public funds:

- Project reports (upon completion of each 6 month period of expenditures) and Annual reports (following Project completion and commercialization disclosure reports)
- An online economic impact report (for 5 consecutive years after project completion)
- Commercialization and other disclosure reports (to comply with applicable Agreement requirements under Section 6 of the Agreement)

## CATEGORIES, FUNDING AMOUNTS, AND REPAYMENT PROVISIONS

The following chart shows the Development Loan funding categories, amounts, eligibility requirements and repayment guidelines, based on the type of applicant and project.

Development Loan Categories	Purpose	Eligible Activities Include	Project Duration	Eligibility	Loan Amount Available	Repayment Trigger and Source	Terms of Repayment
Technology Transfer	R&D activity required to transfer a technology into a commercial market.	Identification of and early work with industry partners.  Preparation of MOUs and licenses.	These projects may be <b>no longer</b> than 2 years.	Public and private colleges and universities  Nonprofit research institutions	\$30,000 minimum up to \$100,000 of MTI funds	Commercialization of the new technology by an industrial partner, paid out of license fees	Percentage of license fees accrue to MTI until loan is repaid
Start-up or early stage company	Later stage R&D activity and preparation for sale of new product/service and process.	Proof of concept.  Initial lab and field trials.  More in-depth market research.  Pilot production (clearly seen as start-up/initial stage).	These projects may be <b>no longer</b> than 2 years.	Start-up or early stage company, defined as founded within the last 5 years, no existing and/or significant sales revenue or financing capacity or capital access arrangements in place for greater than \$250,000.	\$50,000 minimum up to \$250,000 of MTI funds , with exceptions up to \$500,000 (ex. Large secured cash match, specific industry development cash norms, unique project capital equipment requirements)	Commercialization of the new technology by the company, defined by revenue generation related to technology	0% interest, within three years of commercialization of the new technology*
Established private or publicly traded corporation	Later stage R&D activity and preparation for sale of new product/service and process.	Include one of the following commercialization stages (see Attachment A).	These projects may be <b>no longer</b> than 3 years.	Established private and publicly traded corporation, defined as having over \$1 million in sales annually, employees beyond the founder(s) and financing capacity or capital access arrangements in place for \$500,000 or greater.	\$50,000 minimum up to \$500,000 of MTI funds	According to note terms	Simple subordinated 5 year note, with deferred principle and interest payments. Current interest rate is 5% and deferral period between 3-5 years, based on the project length, stage of technology development, and market introduction path.

\*Businesses will have 7 (seven) years from commercialization to repay the loan. When this provision is triggered, the business will be required to repay the loan within 7 (seven) years of commercialization. Businesses that have not repaid the loan amount during the first 3 (three) years from commercialization will owe the unpaid balance, which will increase by 30% and subsequently by 10% annually.

## **Business Accelerator Grant**

MTI recognizes fostering entrepreneurial skills and incorporating business development activities into a project plan significantly increases the likelihood of commercial success. Entrepreneurs without experience growing a technology company or without this expertise within their management team may request a separate pool of grant based funds. To request consideration of these funds as part of your Development Loan application, please download a copy of the Business Accelerator Grant Application and instructions at <http://www.mainetechnology.org>.

## **Review Process and Application Criteria**

The review process includes an evaluation of applications using MTI's Development Loan criteria (see below). Loans will be approved on a competitive basis to support efforts in any of the state's targeted technology sectors. **NOTE:** Applicants are encouraged to view the existing score sheets available at: [www.mainetechnology.org](http://www.mainetechnology.org)

### **STEP ONE – Receipt and Review of Complete Applications**

All applications must be received at the MTI office no later than 5:00 pm on the deadline date. Any incomplete applications, applications received after the 5:00 deadline for any reason, applications that exceed page limits or do not follow other directions will be returned to the applicant without review.

Applications received at the MTI at least 10 business days prior to the deadline will be screened for completeness. The applicant will be notified of missing information and be allowed to complete their application prior to the deadline.

Upon receipt of your completed application and within one week of the application deadline, MTI will send an email as confirmation that the completed application was received and forwarded for review.

### **STEP TWO - Peer Review Evaluation**

The American Association for the Advancement of Science (AAAS) and/or MTI staff will select qualified peer reviewers from within the technical and commercial field of each application. Peer reviewers will perform the scientific and technical evaluation and provide a brief summary statement for each application, indicating its strengths and weaknesses. *Applicants scoring worthy of consideration will advance to step three.* **Scientific and Technical Evaluation, up to 40 points maximum.**

### **STEP THREE - The Technology Board Review Committee (TBRC) Evaluation:**

Volunteer technical/business advisors will evaluate applications using MTI's Development Loan evaluation criteria and determine which projects best meet MTI's objectives. MTI has five standing TBRC review committees (page 7). **Up to 60 points maximum.**

### **STEP FOUR - Interview Committee**

Peer review comments and scores will be used as a guideline in conjunction with the Technology Board Review Committee (TBRC) analysis to determine which applications will be recommended for interview. For each recommended application, MTI will provide a brief application evaluation and list of questions to the applicant. Applicants recommended for interview will be required to submit written responses to the questions prior to interview. Peer review evaluations will also be provided to the applicant.

## STEP FIVE - Recommendations and Loan Decisions

The funding recommendation will be provided to the MTI Board of Directors for final consideration. The MTI Board of Directors will consider the highest quality applications recommended for funding across all sectors and make its funding decision based on the reviews and recommendations of the peer reviewers, TBRC and the interview committee. The MTI Board may take an action other than that recommended by the interview committee due to availability of funds, to balance and encourage synergies across sectors or to serve in the best interests of the MTI. The MTI Board may require that certain applicants, for example those requesting the largest loans, make an in-person presentation to the MTI Board.

All applicants will be notified in writing of the outcome of their application. All applicants will also be provided the results of the written peer reviews and relevant comments of the TBRC and interview committee on their application. MTI staff will be available for conversations by phone or in person to discuss the outcome of the process with individual applicants.

## THE FIVE STANDING MTI TBRC REVIEW COMMITTEES:

- Advanced Technologies for Forestry & Agriculture Technology Board (FA) and Aquaculture and Marine Technology Board (AM) jointly review applications submitted to their sector(s).
- Environmental Technology Board (ET) and Biotechnology (BIO) Board jointly review applications submitted to their sector(s).
- Information Technology (IT) Board review applications submitted to their sector.
- Precision Manufacturing (PM) Technology Board review applications submitted to their sector.
- Composite Materials Technology Board review applications submitted to their sector.

## Appeals Process

MTI's standard appeals policy will govern the program. Appeals must be filed within 2 weeks from the date of the MTI written notification letter. The full existing policy is available at: [http://www.mainetechnology.org/docs/appeal\\_policy.pdf](http://www.mainetechnology.org/docs/appeal_policy.pdf)

## Follow-on Development Loan Applications

It is possible that one Development Loan project will lead to a follow-on Development Loan application to conduct additional work critical to bring technology to market. Applicants that are seeking a follow-on Development Loan must demonstrate that they have achieved the expected progress and/or completed the prior project, and their previous performance on MTI funded projects will be considered. An application's primary investigators must be in good standing and have completed all Development Loan reports and projects at the time of the application unless otherwise approved by MTI.

## Resubmissions of Previously Unfunded Applications

All resubmissions of previously declined applications to the Development Loan program require a mandatory meeting with MTI staff at least three weeks prior to the application deadline. The primary purpose of the meeting is to understand how and if the resubmission will address prior weaknesses. This is important because the original application's peer reviews and feedback will accompany the new application during the evaluation process. **To schedule a meeting, please contact Linda Adams, Program Assistant, by phone at 207-588-1015 or by email, [ladams@mainetechnology.org](mailto:ladams@mainetechnology.org).**

## Application Process and Timeline (subject to change):

Loan Cycle	Activity
March 1, 2012	Applications (paper copy or submitted electronically through the MTI website) due at MTI by <b>5:00 PM (EST)</b> . Late submissions will not be accepted.
April 24, 2012	Written External Peer Reviews Due to MTI
May 8-10, 2012	Tech Board Review Committee (TBRC) Meetings
May 18, 2012	Notification of those going/not going forward in process based on results of the Tech Board Recommendation. Additional written questions will be provided to applicants going forward in the process.
May 25, 2012	Written responses to Peer Reviewer and TBRC questions due from applicants going forward.
June 5, 2012	Development Loan Committee Interviews. <b>Applicants should reserve this day on their calendars for potential interview invitation. MTI cannot accommodate scheduling conflicts of applicants.</b>
June 8, 2012	Notification of those going/not going forward in process based on results of the Interview Committee Recommendation.
June 18, 2012	MTI Board of Directors will review those recommended to go forward in the process based on the results of the interview recommendation. MTI Board of Directors makes final loan decisions.
June 19, 2012	Applicants notified of results.

## DEVELOPMENT LOAN - DIRECTIONS AND CHECKLIST

### REQUIRED ITEMS

Please submit to the MTI one original or an electronic copy through the MTI website of each of the following fifteen (15) items. Inclusion of optional item #12 is strongly encouraged. Applications submitted via fax or e-mail, or incomplete applications, applications exceeding page limits, or otherwise not following directions laid out within the Application Instructions will be returned with no further review.

1. **Form A: Non-Confidential and Confidential Information (1 page printed form)** Please Note – “Public Information” submitted in Form A may be shared with media, MTI partner organizations or the public on request. Information for “MTI purposes only” will only be used by MTI.
  - a. Register on-line at the MTI website and receive your unique application number to be used with all communications at <http://www.mainetechnology.org/fund/development-loan> under Development Loan Application. **Once registered, write your unique application number on the upper right corner of each page of your application.**
  - b. Print out the completed registration Form A, certify its truthfulness with your original signature, and include this as the cover page along with the remaining parts of the application.
  - c. If you are unable to register on-line, please call MTI to register by phone and receive your application number before submitting your application.
  - d. Note names of individuals (i.e. potential reviewers) from Whom to Withhold Application Information. Please provide their names on the Cover Page (FORM A).

**NOTE:** If there are specific people or companies whom you would prefer not review your application, please provide their names on the Cover Page (FORM A), and they will not have access to application materials other than “Form A, Section 1” and the “Non-confidential Summary”. All volunteer Technology Board and MTI Board members are listed on the MTI website at [www.mainetechnology.org](http://www.mainetechnology.org)

## **2. Non-Confidential Project Summary (≤ 300 words)**

This summary must be **non-confidential** and must not exceed 300 words. The summary will be included in the MTI Development Loan press release if the project is funded and can be provided to members of the public or MTI partner organizations if requested. The summary should describe the benefit and feasibility of the project as well as clearly specify the project’s goals. The summary should include/address the following:

- a. What is your product or technology?
- b. In which targeted sector does your technology best fit?
- c. What is the current stage of development?
- d. What is the Scope of Work outlined in the application?
- e. How will Maine benefit from the successful completion of your project?
- f. Applicants are recommended to include business contact information such as principal contact/title, business address, phone, email, and website.

## **3. Executive Summary (1 page)**

The executive summary provides a synopsis of the commercial and technical merit of the Project clearly specifies the project’s goals and resource requirements. It should be on a single page and include, at a minimum;

- a. Rationale for pursuing the project, the technology need and the present state of the relevant technology. What is the company or institutional history, mission and current product(s)? What prior experience or research led to the development of the project?
- b. Brief description of the project with clearly identified objectives/tasks.
- c. Brief description of the market forecasted for the product.
- d. Statement of the anticipated job creation and economic impact on the State of Maine. What percent of the company, and which company functions, occur in Maine?
- e. Overview of how the product, process or service will be commercialized and plans for continued financing/growth.

## **4. History of Previous MTI Grants/Loans or Other Related Research Grants, if applicable (≤ 2 pages)**

On separate paper (limit 2 pages) please submit the following information for your previously funded MTI projects with significant focus on related projects.

- a. Project ID and Title.
- b. Identify the relationship of previous loan(s) to this Development Loan Application.
- c. A history of the previously funded project(s); include a description of the scope of work proposed and accomplished.
- d. Explain why the project was or was not a success.
- e. Identify subsequent efforts leading toward commercialization of the funded technology.
- f. In addition, applicants may consider including details on any relevant state, federal or other funding received in the last five years or which is currently pending.

## 5. Application Narrative Components

### a. The Technology (≤ 9 pages)

The technology component of the Development Loan Application defines the technology, the operational system and infrastructure in which the technology needs to function, the project scope of work/work plan, the manufacturing and support chain to support the technology, identification of the key elements that influence and/or impact the research and development of the technology, technology maturity, and technical risk management.

<b>SCIENTIFIC AND TECHNICAL MERIT &amp; SCOPE OF WORK - This section of the application will be evaluated and assigned up to 20 points for Scientific and Technical Merit and up to 20 points for Scope of Work .</b>	
A	Clearly define the specific technical problem or opportunity to be addressed through the development of the proposed “technology” (i.e. product, process or service).
B	Describe the proposed technology and why it is unique and innovative.
C	State the specific objectives of the research and development project effort including the technical questions it will try to answer. Include any preliminary data that supports the choice of methodology and the feasibility of the project, as well as information about related or prior R&D that supports the proposed activities. <i>Provide appropriate references from literature, other published documents, and results from tests, experiments and exercises.</i>
D	The work plan should describe what will be done where it will be done and how the R&D will be carried out and confirmation of access or ownership of needed equipment and facilities. The work plan should discuss tasks in detail to enable a complete scientific and technical evaluation. In addition, include a chart that clearly delineates each major task, when it is to be accomplished, metrics of success, and who is responsible. NOTE: The description of tasks and schedule for the project should correlate to the project budget – Form B, which includes a breakdown of work in 6 month periods.
E	Identify standards, specifications (including engineering and testing), tests and certifications, where appropriate.
F	Identify measurable outcomes that support continued commitment to commercialization and growth.
G	Describe the company/organizations access to the required infrastructure and operational needs for the scope of work and commercial progress?
H	Define highest ranked risks associated with the technology development plan.
I	Describe any alternative plans in case of failure to meet the technical objectives stated in the proposed project.

### b. The Business (≤ 5 pages, plus Forms and Personnel Biographies)

The business component of the Development Loan application defines the development of pricing and revenue models, financing, project budget, in-house resources, contracting and partnering, the management team, and business risk management. As with the technology component of the project plan, the business elements below highlight activities that a company typically must address in order to mature the technology and enter the commercial market.

<b>PROJECT BUDGET &amp; COMPANY FINANCIALS - This section of the application will be evaluated and assigned up to 10 points for Project Budget and Company Financials .</b>	
A	In conjunction with the detailed description of the work plan included in the technology component of the application, applicants will complete Form B to define the project budget and schedule by 6 month periods. See pages 13-14 for additional instructions.
B	Describe the business financing sources (public, private) and why MTI funding is required to accelerate commercialization.
C	Define project risks and risk mitigation strategies, including the following: <ul style="list-style-type: none"> <li>▪ Ability to obtain funding to complete technology development</li> <li>▪ Robustness of technology for integration into the market</li> <li>▪ Meeting testing and engineering specs</li> <li>▪ Ability to deliver on time within budget</li> <li>▪ Ability for company revenues to scale rapidly</li> </ul>
D	Provide a financial analysis (profit and loss pro-forma, cash flow, operating expenses, financing requirements). In addition, define the company's current and future revenue model. If applicable, please provide a current capitalization table for the company. See page 16 for additional instructions.
E	Outline your loan repayment plan. Include a brief discussion of the assumptions and risks inherent to your revenue model, and contingency plans for overcoming such obstacles. If applicable, complete Form G/Appendix E. See pages 14-15 for additional details on repayment plan categories. NOTE: Repayment plans may include royalties, warrants, equity, cash or other payment mechanism. In addition, MTI may consider taking an equity position in lieu of cash payments.
<b>THE MANAGEMENT TEAM - This section of the application will be evaluated and assigned up to 25 points for the Management Team .</b>	
A	Describe the company's project team and applicable experience relevant to moving the project forward (technology, business, marketing, finance domains). Include key business partners (prime sub-contractors/distributors) and other resources. <ul style="list-style-type: none"> <li>▪ Developing and commercializing products/services and processes</li> <li>▪ Conducting market research</li> <li>▪ Negotiating strategic alliances, major customer contracts and licensing agreements</li> <li>▪ Securing outside financing</li> <li>▪ Operating businesses, including actual profit and loss responsibility</li> </ul>
B	Describe the team's strengths and weaknesses. <ul style="list-style-type: none"> <li>▪ Team balance, strengths and weaknesses, and members' characteristics.</li> <li>▪ Ability to reach goals, anticipate problems and resolve conflict.</li> </ul>
C	Identify project team development and team expansion and skills/experience needs.
D	Explain the management team's familiarity with the targeted industry (trade organization meetings, federal agencies, etc.) What networking and key relationships need to be established within the industry for successful commercialization?
E	Propose activity to draw on regular, experienced, external advisors such as mentors/coaches and/or an advisory or formal board(s), including technical and business expertise to guide the business. In addition, include details on the corporate governance structure and requirements.
F	Discuss the company's existing legal advisors, financial advisors, and financial institution.
G	Include a professional summary (≤ 2 pages each) for all principals, managers, named partners, consultants and/or (sub) contractors involved in the project. See instructions on page 15.

**SPECIAL NOTES - TECHNOLOGY TRANSFER APPLICANTS ONLY:**

MTI's experience has shown that projects are most successful when there is a high degree of interaction between the academic or research institution and the candidate and/or target industry company team members. This joint activity should be clearly outlined in the description of the project. Describe the expected interaction to move the technology from the academic or research institution to the industry partners or company. Examples include reports, meetings, email exchanges, and company participation in the project.

**c. Market, Commercialization and Economic Impact (≤ 6 pages, plus Forms)**

The market, commercialization and economic components of the Development Loan application provide an analysis of the market and competition, qualifies targeted customers, defines a commercialization plan, defines intellectual property, and economic impact in Maine.

<b>MARKET POTENTIAL - This section of the application will be evaluated and assigned up to 10 points for Market Potential .</b>	
A	Provide a general overview of the market opportunity. Clearly state the competitive advantage of the company's technology or business approach over existing solutions. <ul style="list-style-type: none"> <li>▪ Define market drivers including applicable regulations, legislation and trends that are creating opportunity for commercialization.</li> <li>▪ Describe how the company evaluated the market (type of market information used and the source) and competition.</li> <li>▪ Define customer purchase drivers and how the marketable solution will need to compare with the competition on, Price, Performance, Quality and other relevant features. (Provide in a narrative or a matrix format).</li> </ul>
B	Define and name key targeted customers. Describe any current relationships with those customers or target markets and purchase decisions making process in the targeted industry and how it will reach the customers.
C	Do trade secrets, patents, trademarks, copyrighted works or industrial designs provide for significant competitive barriers? Does your technology depend on IP assets, whether owned or licensed to be successful and sustainable? If yes, what are they?
D	Briefly describe if there is a high potential for intellectual property (patents, or innovative process and trade secret) to be developed. If so, please elaborate on why it is likely to be protectable and is not likely to infringe upon other rights.
E	In conjunction with the brief description of the intellectual property, applicants will complete Form F/Appendix C listing and describing all relevant background intellectual property and/or licenses whose use is material to the recipient's ability to conduct and commercialize the project described in the application. See page 14 for additional instructions for Form F/Appendix C.
<b>COMMERCIALIZATION AND POTENTIAL FOR ECONOMIC IMPACT - This section of the application will be evaluated and assigned up to 15 points for Commercialization and potential for Economic Impact in Maine.</b>	
A	Identify how this loan will lead toward commercialization or augment the next stages of securing financing.
B	Describe how the proposed project will impact the Maine economy. Examples of Economic Impact: <ul style="list-style-type: none"> <li>▪ New jobs or preservation of existing jobs in Maine, or new workforce skills development.</li> <li>▪ New products, process and/or services introduced to the market.</li> <li>▪ New invention disclosures, intellectual property protection (patents, copyrights,</li> </ul>

	<p>trademarks, plant rights, etc.), licenses.</p> <ul style="list-style-type: none"> <li>▪ Define the additional funding required for commercialization? Define the plans to secure additional matching funds, if not already committed? Does it involve new capital coming into the Maine economy including sales revenue, grants and contracts from federal or other external sources, debt or equity investment from outside of Maine?</li> <li>▪ Describe the infrastructure needed to commercialize the technology (e.g. necessary equipment and facilities) and whether it will result in capital investment within Maine.</li> </ul>
C	In conjunction with the description of potential positive economic impact, applicants will complete Form C. See page 14 for additional instructions for Form C.
D	Provide a summary ( <b>≤1 page</b> ) highlighting key assumption used when determining economic impact and sales/revenue projections for the project. This should align with Form C projections on economic impact. See page 14 for additional instructions.

**6. Form B/Appendix B: Budget Summary and Budget Supporting Document (2 Part Form, plus ≤ 2 pages supporting budget documents)** *All eligible and properly documented MTI expenses and matching contribution may be claimed back to the application deadline date. This section in conjunction with the Commitment of Matching Funds of the application will be evaluated and assigned up to 10 points total for Budget Appropriateness*

Using the form provided at [www.mainetechnology.org/fund/development-loan](http://www.mainetechnology.org/fund/development-loan) and up to 2 pages of budget supporting documents, please indicate:

- a. Line-item expenses for the proposed project by 6 month periods.
- b. Number of hours and hourly rate for all employees and non-employees.
- c. Total funds requested from MTI.
- d. Total matching funds committed.

The project budget (Form B – an excel document with multiple worksheets) includes sets of work in 6 month periods and the total project budget. The form provides MTI with the costs for each period. All costs charged against MTI funding must be directly related to the project. Form B should correlate to the project work plan outlined in the project description.

- Marketing or sales critical to project commercialization, not to exceed 15% of the MTI funding or project total.
- Indirect/Overhead costs, not to exceed 20% of the MTI funding or project total. Include ongoing expense of operating a business.

**Costs not allowed**

- MTI funds cannot be used to recoup sunk costs incurred prior to the submission deadline and these costs may not be recovered or used as match for the MTI Project.

**WAGE / SALARY RATE GUIDELINES:**

Payment of project personnel salaries/wages (including that for company principals) is a legitimate use of MTI funds. All salaries/wages, whether cash or in-kind match or paid with MTI funds, must be the actual pay rate, or must **NOT** exceed the mean hourly wage rates compiled by the US Department of Labor under the National Occupational Employment and Wage Estimates ([http://stats.bls.gov/oes/current/oes\\_stru.htm](http://stats.bls.gov/oes/current/oes_stru.htm)). MTI staff will verify

payments and rates for these services. A reasonable rate based upon the current market within Maine is expected.

**7. Form C: Economic Impact Form and Key Assumptions (1 page form, plus ≤1 page key assumptions) This form in conjunction with the description of economic impact in the application will be evaluated and assigned up to 15 points total for Economic Impact in Maine.**

All successful proposals will detail the project's expected economic impact in Maine for five years following completion of the project, following successful commercialization, or any other consecutive five year period that provides the greatest contribution to the state's economy. Some factors taken into consideration include potential for job creation and retention or increased wages and relevance to Maine's innovation economy. Economic impact in the State of Maine is required for funding approval. The following items should be included on Form C:

- Indicate the calendar years to which the projection applies.
- Indicate the five consecutive years when the greatest economic impact is expected.
- Detail incremental business changes resulting from "successful commercialization of the project".
- Describe only the economic impact that this project will have in Maine.
- Provide any additional information that addresses the economic impact expected to result from this project.

**Key Assumptions (≤1 page)**

Provide a summary highlighting key assumption used when determining economic impact and sales/revenue projections for the project. This should align with Form C projections on economic impact.

**8. FORM F/Appendix C: Intellectual Property Plans and Proprietary Positions of the Applicant (≤ 1 page form) Information here will influence various scoring area of the technical and commercialization areas.**

List and describe in the form all **relevant background intellectual property** (patents; include an abstract and number, copyrights, trademarks, trade secrets, licenses or any other intellectual property) owned or needed by the company, university or non-profit research institution **which use is material to the applicants ability to conduct the project described in the application.** Refer to page 16 for additional requirements for applicants requesting to pursue intellectual property protection.

**9. Repayment Plan**

Please refer to the details below on the Development Loan Repayment Guidelines, based on the type of application and project. Repayment provisions will be part of the loan contract. Any loan recipient that breaches its contract with MTI will be required to repay, with interest, the loan in full.

- Technology Transfer Category (≤ 2 pages) - In consideration of the institute technology transfer policy, applicants are required to suggest a repayment plan. Repayment provisions will be a part of the loan contract. If revenues and/or royalties result, a percentage will be applied to the Development Loan until it is repaid.

- Start-up or early stage company (Form G/Appendix E ≤ 3 page form) - Businesses will have 7 years from commercialization to repay the loan. Full repayment of the loan within three years of commercialization of the new technology equals a 0% interest loan. Businesses that have not repaid the loan amount during the first 3 years from commercialization will owe the unpaid balance, which will increase by 30% and subsequently by 10% annually.
- Established private or publicly traded corporation (≤ 1 page) – Applicants in this category can include up to 1 page as part of their proposal to suggest a time period for deferred payment of principal and interest based on the project and repayment guidelines below. Note terms will be available at [www.mainetechnology.org](http://www.mainetechnology.org).
  - Simple subordinated 5 year note, with deferred principle and interest payments. Current interest rate is 5% and deferral period between 3-5 years, based on the project length, stage of technology development, and market introduction path.
  - These projects may be **no longer** than 3 years.

## 10. Professional Summary (≤ 2 pages each)

**This section, in conjunction with the information provided under the Management Team narrative will be evaluated and assigned up to 25 points total for Management Team.**

On separate paper, please submit biographies for the primary contact and any other project employees identified on the Budget Form B or within the project Scope of Work, including any named consultants and/or (sub) contractors. Be sure the biographies indicate experience relevant to the performance of tasks related to this application.

Note: Biographies may not be longer than 2 pages per person. Any additional biography pages over the 2-page per person limit cannot be considered. Biographies may be submitted in the form of a resume, CV, or paragraph summary style.

## 11. Commitment for Matching Funds (≤ 1 pages each)

**This section in conjunction with the Form B Budget Summary and Budget Supporting Document of the application will be evaluated and assigned up to 10 points total for Budget Appropriateness.**

The applicant is **required to provide matching funds** in the form of **direct cash or in-kind support**. On separate paper, please provide letters of commitments for all matching funds contributed toward the completion of the proposed project. Letters must account for all items indicated as Cash Match and In-Kind Match on Form B, including match committed by the applicant's company. A sample commitment letter is provided on page 23 of this application.

NOTE: A **minimum 1:1 matching contribution** is required in order for the project to qualify for an MTI loan. In-kind support is **not a substitute** for the cash match. The funds must be independently verifiable and used exclusively for the proposed project.

## 12. Supporting Documents – Optional (≤ 8 pages)

**This section is intended to support any claims made within the context of the application. Reviewers may take into consideration any and all of the supporting documents when assigning points for the review criteria.**

On separate paper, not to exceed 8 single-sided pages (8.5" x 11" max) you may submit any articles, letters, or other documentation that support your application. Supporting documents often includes published market information, letters from experts in the field, partners, collaborators, suppliers or potential customers. Supporting documents must be in "ready-to-copy" form – single-sided, black and white or grayscale to maintain clarity after copying, and no larger than 8.5" x 11." For example, an attached brochure, a double-sided document, or 11" x 17" sheet of information will not be copied and will be discarded unless in the abovementioned format.

**Applications with Intellectual Property Filing:** Applications requesting funds to pursue intellectual property protection, such as patent protection, must include supporting documents from the patent attorney or agency conducting the intellectual property investigation. Agencies such as the Maine Patent Program and/or law firms may typically provide clients a Limited Assessment or Prior Art Search Report. These are both acceptable supporting documents.

### **13. Form E: Credit Authorization (≤ 2 page form)**

Complete FORM E, seal the completed form in an envelope, and include the sealed envelope with your full application. MTI recognizes this is sensitive information. This information is not provided to the Technology Board Review Committee. The principal purpose of conducting a credit check is to determine if there are any legal obstacles that must be remedied prior to execution of the Development Loan Agreement. Companies/individuals with poor credit may still execute the Development Loan Agreement, however, special accommodations in regards to the payment of the loan may be made to protect the MTI investment.

NOTE: MTI will conduct credit checks only on companies and principals having an ownership interest in the company (20% or more) approved for a Development Loan. MTI funds disbursement requires satisfactory review of company and principal(s) credit history.

### **14. Financial Information**

Submit the following financial information in a sealed and marked envelope. A financial summary will be generated by MTI staff based on the information provided. The report will not contain actual numbers. The report will be shared as part of the review process. Financial information for applications not recommended for funding will be destroyed in a confidential manner by MTI.

- Cash flow forecast, showing all company cash flows, for the period covered by the proposed project.
- Balance Sheet and Income (Operating) Statement for the previous 2 years. Companies that have not been through a full fiscal year must provide a list of capital sources showing assets, liabilities and equity.

#### **SPECIAL NOTE - TECHNOLOGY TRANSFER APPLICANTS ONLY:**

The financial information and Form E referenced above are not required for Technology Transfer applicants. Instead, provide a signed letter from your finance manager stating the financial resources, personnel and equipment available and dedicated to the project during the loan period as detailed in the application.

### **15. Application Checklist:**

Provide a completed and signed copy of the application checklist.

**Development Loan - Contents and Checklist**

**DL#**

<input checked="" type="checkbox"/>	To Do	Company	Univ-Non-profit	See Page	Sample Page
<input type="checkbox"/>	Review the Application Instructions	✓	✓	website	
<input type="checkbox"/>	Concept Review Meeting with MTI Prior to Submission (Required)	✓	✓	3	
<input type="checkbox"/>	Form A: Cover Sheet (1 page printed); register online	✓	✓	8-9	
<input type="checkbox"/>	Non-Confidential Summary (≤ 300 words)	✓	✓	9	
<input type="checkbox"/>	Executive Summary (<1 page)	✓	✓	9	
<input type="checkbox"/>	History of Previous MTI Grants/Loans (≤ 2 pages)	✓	✓	9	
<input type="checkbox"/>	Application Narrative Components				
	a. The Technology (≤ 9 pages)	✓	✓	10	
	b. The Business (≤ 5 pages, plus forms)	✓	✓	10-12	19-20
	<input type="checkbox"/> Form B: Project Budget (2 Part Form, plus ≤ 2 pages supporting budget documentation)			13-14	
	<input type="checkbox"/> Professional Summaries (≤ 2 pages each)			15	
	c. Market, Commercialization and Economic Impact (≤ 6 pages, plus forms)	✓	✓	12-13	
	<input type="checkbox"/> Form C: Economic Impact (1 page form, plus required key assumptions (≤ 1 page)			14	22
	<input type="checkbox"/> Form F: Intellectual Property Plans (1 page form)			14	21
<input type="checkbox"/>	Letters of Commitment (≤ 2 page each)			15	23
	<input type="checkbox"/> Applicant	✓	✓		
	<input type="checkbox"/> Direct Cash	✓	✓		
	<input type="checkbox"/> In-kind Support	✓	✓		
	<input type="checkbox"/> Named partnerships, contractors & consultants	✓	✓		
<input type="checkbox"/>	Supporting Documents; optional (≤ 8 pages)	✓	✓	15-16	
<input type="checkbox"/>	Financial Information, submitted in a <b><u>separately marked envelope</u></b>				
	<input type="checkbox"/> Cash flow forecast (1 page form)	✓		16	
	<input type="checkbox"/> Balance sheet	✓		16	
	<input type="checkbox"/> Income statement	✓		16	
	<input type="checkbox"/> Form E, Credit Check Auth. (2 page form)	✓		16	
	<input type="checkbox"/> Repayment Plan	✓	✓	14-15	
<input type="checkbox"/>	Letter of acknowledgement from institution; include confirmation of financial resources (1 page)		✓		
<input type="checkbox"/>	<b>For Resubmissions Only:</b> Comments response (1-2 pages) to the application.	✓	✓		
<input type="checkbox"/>	Application Checklist, checked by applicant for completeness with original signature	✓	✓		

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date of Signature

**SIGNATURE:** By signing below, the applicant requests MTI treats all application information as confidential under 5 MRSA Section 15302-A other than “Form A, Section P” and the “Non-confidential Summary.”(See pages 8-9.) The applicant certifies the application has been checked for completeness. Failure to provide all required information will result in the application not being considered.

## ATTACHMENT A: Commercialization Stages, Definitions & Examples

STAGE	DEFINITIONS & EXAMPLES
PROOF OF CONCEPT	Reduce to practice; test the most basic operating parameters; product design formulation; < full-scale model, inexpensive, not optimal; thorough sketches; establish performance criteria; estimate selling and manufacturing price; demonstrate for focus groups
PROTOTYPE DEVELOPMENT	1st production-like construction; generate information for final product/service design; mock-up, model, working version, one-of-a-kind, often handmade; modified sketches converted to working model; working model with key components; demonstrate key technologies; convert to generic version; hardware and software investments
ALPHA TEST	In-house function test to assess operation, performance, production requirements, stress resistance, manufacturing requirements, design specifications; pilot runs; tests of the concept and design engineering; tests with a specific customer; design with a few customers or focus group
PRODUCT DEVELOPMENT	Design and testing of full-scale completely operational models, considering manufacturing, tooling, durability, design specifications from marketing and engineering perspectives; product refinements and modifications; work needed to support a few customers' use; salaries of service team; support and installation costs; work performed for limited customers at little or no cost to them
BETA TEST	Test of full-scale product or process, made in a limited production run as close as possible to final production procedures; product or service test by potential customers; initial customer evaluation; prototype test under working conditions; build version 1; field test; field trial; convert specific product to a generic product for a wider market; addition of features and functions; facilities and equipment time
DESIGN FOR MANUFACTURING	"Blueprints" or sketches of the final design of product/service; final assembly and testing procedures; final bill of materials; pre-marketing campaigns; identify potential customers; establish marketing and distribution programs; identify and select suppliers; "scaling-up" work; installation and testing of new components; final testing prior to shipment and pilot commercial production.
SCALE-UP OF MANUFACTURING WITH LIMITED PRODUCTION	Scale up for manufacturing and limited production plans will only be considered if there are significant research and development components of the project involved.
ACADEMIC OR RESEARCH INSTITUTION TECHNOLOGY TRANSFER R&D	Technology Transfer projects by these Maine institutions may include all or some of the stages listed above. Successful transfer of technology out of institutions may result in subsequent Development Loan applications from the commercial transferee to complete the final stages of commercialization.

# ATTACHMENT B: EXAMPLE BUDGET

## FORM B: MTI DEVELOPMENT LOAN BUDGET SUMMARY FORM

**FORM B:** Please provide the amount and a description of each expense from each source required for the proposed project. Total these amounts in the far right-hand column and at the bottom of the form. You may add additional lines in any category, if needed. **Note: reviewers will assess the appropriateness of this budget during the evaluation.**

### FORM B Worksheet #1: Budget by 6 Month Periods

#### EXAMPLE: Form B and Appendix B: Budget by 6 Month Periods (Worksheet #1)

Provide a description of each expense and from which source the expense will be paid for the proposed project. All gray cells are formula driven. You may add additional lines where necessary. Reviewers will assess the appropriateness of this budget during the evaluation.

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

Project ID#: \_\_\_\_\_

Brief Description of Work (including deliverables and outcomes)	Completion Target Date	Budget Line Item	MTI Funding	In-Kind Match	Cash Match	Total
Alpha Test - In-house function test to assess operation, performance, production requirements, pilot runs, tests of the concept and design engineering.	Start Date: March 1, 2012	1. Employee	26,000	14,000	26,000	66000
		2. Consultant	6,500	-	11,500	18000
		3. Equipment	10,000	-	10,000	20000
	End Date: Sept. 1, 2012	4. Materials	-	-	2,500	2500
		5. Sales & Marketing	-	-	-	0
		6. Overhead	-	-	4,500	4500
		7. Other	1,650	500	1,150	3300
<b>TOTAL</b>			\$ 44,150	\$ 14,500	\$ 55,650	\$ 114,300
Product Development - full scale testing models, design specifications, product refinements and modifications, support and installation costs.	Start Date: Sept. 2, 2012	1. Employee	16,000	9,000	16,000	41000
		2. Consultant	1,000	1,000	5,000	7000
		3. Equipment	2,500	2,500	5,000	10000
	End Date: March 2, 2013	4. Materials	1,250	-	1,250	2500
		5. Sales & Marketing	-	-	-	0
		6. Overhead	1,500	-	3,000	4500
		7. Other	650	-	650	1300
<b>TOTAL</b>			\$ 22,900	\$ 12,500	\$ 30,900	\$ 66,300
Best Test - test full scale product, limited production run, product or service test by potential customers, prototype test under working conditions, addition of features and functions	Start Date: March 3, 2013	1. Employee	3,250	3,000	6,750	13000
		2. Consultant	1,500	-	3,000	4500
		3. Equipment	12,500	-	12,500	25000
	End Date: Sept. 3, 2013	4. Materials	500	-	1,000	1500
		5. Sales & Marketing	1,000	-	2,500	3500
		6. Overhead	1,500	-	1,500	3000
		7. Other	50	-	50	100
<b>TOTAL</b>			\$ 20,300	\$ 3,000	\$ 27,300	\$ 50,600
	Start Date:	1. Employee				0
		2. Consultant				0
		3. Equipment				0
	End Date:	4. Materials				0
		5. Sales & Marketing				0
		6. Overhead				0
		7. Other				0
<b>TOTAL</b>			\$ -	\$ -	\$ -	\$ -
	Start Date:	1. Employee				0
		2. Consultant				0
		3. Equipment				0
	End Date:	4. Materials				0
		5. Sales & Marketing				0
		6. Overhead				0
		7. Other				0
<b>TOTAL</b>			\$ -	\$ -	\$ -	\$ -
	Start Date:	1. Employee				0
		2. Consultant				0
		3. Equipment				0
	End Date:	4. Materials				0
		5. Sales & Marketing				0
		6. Overhead				0
		7. Other				0
<b>TOTAL</b>			\$ -	\$ -	\$ -	\$ -
<b>Percent Exp Vs. Budget</b>		<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -
Total Project Costs	52%	1. Employee	45250	26000	48750	120000
	13%	2. Consultant	9000	1000	19500	29500
	24%	3. Equipment	25000	2500	27500	55000
	3%	4. Materials	1750	0	4750	6500
	2%	5. Sales & Marketing	1000	0	2500	3500
	5%	6. Overhead	3000	0	9000	12000
	2%	7. Other	2350	500	1850	4700
<b>Total Project Costs</b>			\$ 87,350	\$ 30,000	\$ 113,850	\$ 231,200

By signing this document the 'loan' represents that all resources represented are real and would be specifically dedicated to the funded project.

LOAN REPRESENTATIVE: \_\_\_\_\_

MTI REPRESENTATIVE: \_\_\_\_\_

PRINTED NAME : \_\_\_\_\_

PRINTED NAME : \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

# FORM B Worksheet #2: Total Project Budget

## EXAMPLE: Form B and Appendix B: Total Project Budget (Worksheet #2)

Provide a description of each expense and from which source the expense will be paid for the proposed project. All gray cells are formula driven. You may add additional lines where necessary. Reviewers will assess the appropriateness of this budget during the evaluation.

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

Project ID#: \_\_\_\_\_

				MTI Funding	In-Kind Match	Cash Match	Total
<b>Employee</b>	Title	Hours	Hrly Rate				
John Smith	Principle Investigator	880	\$ 50.00	\$ 16,000	\$ 10,500	\$ 17,500	\$ 44,000
Al Sampson	Technical Supervisor	525	\$ 40.00	\$ 9,000	\$ 1,500	\$ 10,500	\$ 21,000
Tina Jones	Technician 1	1100	\$ 25.00	\$ 10,000	\$ 7,000	\$ 10,500	\$ 27,500
Frank Alien	Technician 2	1000	\$ 25.00	\$ 9,000	\$ 7,000	\$ 9,000	\$ 25,000
Mary Watson	Lab Specialist	50	\$ 50.00	\$ 1,250	\$ -	\$ 1,250	\$ 2,500
				\$ 45,250	\$ 26,000	\$ 48,750	\$ 120,000
<b>Consultant</b>	Role	Hours	Hrly Rate				
David Cody	Lab Techniques, Inc.	60	\$ 100.00	\$ 2,500	\$ 1,000	\$ 2,500	\$ 6,000
Dan Lewis	Patenting, Inc.	100	\$ 150.00	\$ 5,000	\$ -	\$ 10,000	\$ 15,000
Tom Leonard	Quality Control, Inc.	85	\$ 100.00	\$ 1,500	\$ -	\$ 7,000	\$ 8,500
							\$ -
							\$ -
				\$ 9,000	\$ 1,000	\$ 19,500	\$ 29,500
<b>Equipment (* = Include if leased)</b>		*Hours	*Hrly Rate				
Server - Data Processing				\$ 10,000	\$ -	\$ 10,000	\$ 20,000
Spectrometer - Testing				\$ 12,500	\$ -	\$ 12,500	\$ 25,000
Centrifuge - Testing				\$ 2,500	\$ 2,500	\$ 5,000	\$ 10,000
				\$ 25,000	\$ 2,500	\$ 27,500	\$ 55,000
<b>Materials</b>		Units	Cost per				
Office Supplies				\$ 1,750	\$ -	\$ 4,750	\$ 6,500
							\$ -
							\$ -
				\$ 1,750	\$ -	\$ 4,750	\$ 6,500
<b>Sales &amp; Marketing</b> (≤ 15% of MTI Funds or the total project budget.)							
Booth display at convention - Market New Product				\$ 1,000	\$ -	\$ 2,500	\$ 3,500
							\$ -
							\$ -
				\$ 1,000	\$ -	\$ 2,500	\$ 3,500
<b>Overhead</b> (≤ 20% of MTI Funds or the total project budget.)							
Rent, Admin Staff, Electric				\$ 3,000	\$ -	\$ 9,000	\$ 12,000
							\$ -
							\$ -
				\$ 3,000	\$ -	\$ 9,000	\$ 12,000
<b>Other</b>		Units	Cost per				
Layr - Patenting				\$ 1,000	\$ 500	\$ 500	\$ 2,000
Travel (Florida - equip. Testing; Massachusetts- consultant mtg)				\$ 1,350		\$ 1,350	\$ 2,700
							\$ -
				\$ 2,350	\$ 500	\$ 1,850	\$ 4,700
<b>Total Project Costs</b>				\$ 87,350	\$ 30,000	\$ 113,850	\$ 231,200

By signing this document the 'loan' represents that all resources represented are real and would be specifically dedicated to the funded project.

LOAN REPRESENTATIVE: \_\_\_\_\_

MTI REPRESENTATIVE: \_\_\_\_\_

PRINTED NAME : \_\_\_\_\_

PRINTED NAME : \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

# ATTACHMENT C: EXAMPLE INTELLECTUAL PROPERTY FORM

## FORM F/Appendix C: Intellectual Property Plans

**FORM F/Appendix C:** Please list all Patents, Copyrights, Trademarks, Trade Secrets, or any other intellectual property which use is material to the applicant's ability to conduct the project described in the application. **NOTE: Information here will influence various scoring area of the technical and commercialization areas.**

Form F and Appendix C

### INTELLECTUAL PROPERTY RELATED TO PROJECT

Please list all Patents, Copyrights, Trademarks, Trade Secrets, or any other intellectual property which use is material to the applicants ability to conduct the project described in the application.

DA #: \_\_\_\_\_

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

Item Description	Reference Information: U.S. Patent numbers, International numbers etc.	Comments: Licensed Technologies, or Patents, Royalty Commitments, Expiration Dates, etc.
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		

MTI Representative : \_\_\_\_\_

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

Grant Recipient: \_\_\_\_\_

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

Attached Sheets if Required Yes / No (circle one)

List copies of Background IP license agreements with party names and effective dates.

MTI Development Award Form F and Appendix C 8-31-11

**FORM C: MITI Economic Impact Projection for Development Awards: Project only impacts directly attributable to the project funded by MITI.**  
**Example**

Please indicate 5 consecutive years when the greatest economic impact is expected.

Jobs Created or Retained:	Year 1:		Year 2:		Year 3:		Year 4:		Total Dollar Impact
	Number of New Jobs	Number of Jobs Retained	Number of New Jobs	Number of Jobs Retained	Number of New Jobs	Number of Jobs Retained	Number of New Jobs	Number of Jobs Retained	
Type of Job									
Scientific / Technical / Engineering Admin	2	45,000	2	45,000	3	45,000	3	45,000	225,000
Scientific / Technical / Engineering Support	1	70,000	1	70,000	2	70,000	4	70,000	350,000
General Management	1	90,000	1	90,000	1	90,000	1	90,000	180,000
Marketing					1	50,000	1	50,000	50,000
Sales					2	50,000	2	50,000	150,000
Manufacturing									-
Manufacturing Support									-
Administrative	1	30,000	1	30,000	2	60,000	2	60,000	120,000
Clerical									-
Indirect									-
Other (Specialist)	1	90,000	1	90,000	1	90,000	1	90,000	90,000
	6	370,000	6	515,000	9	865,000	14	1,165,000	

**Financial Changes - In Thousands \$**

Type of Change in Financial Status	Year 1:		Year 2:		Year 3:		Year 4:		Date
	Amount in Dollars	Source of Funds	Amount in Dollars	Source of Funds	Amount in Dollars	Source of Funds	Amount in Dollars	Source of Funds	
Sales Revenue	100	Sales Revenue	200	Sales Revenue	500	Sales Revenue	1,000	Sales Revenue	
Decreased Costs									
Capital Raised or Invested	63		19		500				
Grant Funds									
Venture Funds									
Angel Funds									
Debt									
Public Offering (stock sale)									
Other (detail)	163		219		1,500		1,000		

**Maine Corporate Income Taxes Paid**

Year 1:	Year 2:	Year 3:	Year 4:
44,000	62,000	104,000	140,000

**Patents Produced**

Year 1:	Year 2:	Year 3:	Year 4:
1	1		

**REQUIRED: Provide a separate ≤ 1 page overview of key assumptions.**

**\*In-kind match is identified as match where no payments are made. Typical forms of in-kind match include uncompensated or reduced rate personnel or consultant expenses, or equipment contributed or utilized and assigned a reasonable rate.**

## **ATTACHMENT E: COMMITMENT LETTER**

**\*\*You may use a copy of this letter by replacing all italicized words with information pertaining to your application.**

*(insert date here)*

Maine Technology Institute  
405 Water Street, Suite 300  
Gardiner, ME 04345

Dear MTI President,

This letter represents a commitment by *(insert company name here)* to provide \$ *(insert total cash + in-kind amount)* in matching support for a Development Loan project entitled "\_\_\_\_\_". The support is provided from *(insert project start date)* to *(insert project end date here)*.

Of this support, \$ \_\_\_\_\_ is committed as direct cash by *(insert cash contributors name)* to carry out its work on this project.

We are providing other in-kind support valued at \$ \_\_\_\_\_, which includes salary cost of in-house personnel, use of company equipment, materials, and other services devoted to the project.

For the purpose of determining minimum cash match required, our company was founded in *(year)* and has *(\_\_\_\_\_)* full-time equivalent employees. *(Insert name and title of company representative)* will serve as the company's contact person.

**THE FOLLOWING LANGUAGE IS ONLY APPLICABLE FOR THE APPLICANT LETTER:** Our company has reviewed a copy of the Development Loan Ag

+  
reement, is aware of its terms and conditions, and understands the agreement must be signed within six (6) months following the loan notification date.

Sincerely,

*(please sign)*  
*(insert name of company officer)*  
*(insert title of company officer)*