

**INSTITUTE FOR COMMERCIALIZATION OF PUBLIC RESEARCH
REQUEST FOR SEALED PROPOSALS
FOR
PRIVATE FUND MANAGEMENT**

Dear Applicants:

The Institute for Commercialization of Public Research, (which will be renamed to the Institute for Commercialization of Florida Technology effective July 1, 2018), requires the services of an individual, a company, an investment firm or an investment fund to act as a Private Fund Manager. Candidates responding to the RFP shall have experience in investing and managing investments in emerging growth companies in the State of Florida, in addition to other requirements, and shall further provide the Scope of Services referenced herein.

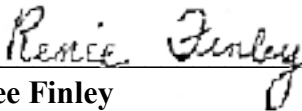
Attached is a copy of the Request for Sealed Proposals for Private Fund Management. If interested in providing the Services, and provided that you meet the minimum requirements, please provide a proposal.

Your proposal must be sealed in one package and clearly labeled “**2018 Private Fund Management RFP**” on the outside of the package and must be received no later than Thursday, August 16, 2018, 5:00 P.M. E.T., and directed to:

Institute for the Commercialization of Florida Technology
(formerly known as the Institute for Commercialization of Public Research)
3651 FAU Blvd. Suite 400
Boca Raton, FL 33431
Attn: Teri Hart

Your proposal will be date and time stamped by the Institute upon receipt. If it is received by our office after the deadline, it will be deemed non-responsive.

Yours very truly,



Renee Finley
Chair of the Board of Directors

**INSTITUTE FOR COMMERCIALIZATION OF PUBLIC RESEARCH
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**SECTION 1
Specific Information Regarding this RFP**

1.1 **Introduction/Background.** The Institute for Commercialization of Public Research, which will be renamed to the Institute for Commercialization of Florida Technology effective July 1, 2018, (the “**Institute**”) was established through legislation passed in 2007 (codified in section 288.9625 of the Florida Statutes) as a non-profit state entity to stimulate the creation and growth of Florida-based innovation companies in industries that are driving the global economy. These include Life Sciences, Aviation & Aerospace, Information Technology, Defense & Homeland Security, Logistics & Distribution, Clean Tech, Manufacturing, and other industries of strategic importance to the state.

Legislation, passed in 2011, allowed for the creation of the Seed Capital Accelerator Program to fill early funding gaps by providing seed capital through loans to qualified companies. Legislation, passed in 2013, broadened the Institute’s scope and allowed for the creation of the Florida Technology Seed Capital Fund which enabled the Institute to make equity investments in qualified companies.

Through its company assistance and funding programs, the Institute has developed a solid track record of success. According to an independent study conducted by the Washington Economics Group, through the end of the last fiscal year (June 2017), the Institute had a \$970 million economic impact in the state of Florida, with 72 companies funded, over 6,000 jobs created, many in high-wage, knowledge-based industries, and a 7:1 match of private investment. The Institute has successfully delivered on its mission to expand Florida’s innovation economy by connecting angel and venture capital investors to Florida companies and enabling them to raise later stage capital to grow. Through June 2017, the Institute provided a 26X return on investment to the state of Florida. In 2018, the Institute accomplished its first exit event from one of its portfolio companies, returning a 3.5X return back to the organization.

During the 2017/18 legislative session, the Florida Legislature passed legislation that changed the name of the Institute to the “Institute for Commercialization of Florida Technology”, broadened the scope of the Institute to include any innovation business in Florida, and stipulated that the investment affairs of the Institute be managed by a private fund manager (defined as “Private Fund Manager” herein) so that the Institute may become self-sustaining. The purpose of the Institute’s use of a Private Fund Manager is to alleviate the state’s burden of the continued and future operational and management costs related to the technology fund and accelerator program, while allowing the Institute, through the private fund manager, to continue to foster greater private sector investment in startup and early-stage companies, and to advise companies about how to restructure existing management, operations, and product or service development to attract advantageous business opportunities.

The Board of Directors of the Institute is seeking proposals from qualified private fund managers to comply with this requirement, to act on behalf of the Institute for certain investment-related purposes, to manage the Institute’s portfolio of funded companies consistent with the best interests of the state, and to continue the Institute’s role in investment affairs for the Institute to continue to carry out the mission of the Institute.

The Institute intends to hire one or more individuals, companies, venture capital firm(s), private equity firm(s), venture capital fund manager(s) or private equity fund manager(s) (each a “**Firm**”) to provide the professional services described in Section 1.2 of this Request for Proposal (“**RFP**”). Firms interested in submitting a response to this RFP (a “**Proposal**”) should carefully review this RFP for instructions on how to respond and for the applicable contractual terms. The Institute may select one or more finalists or may choose semi-finalists based on the evaluation criteria to be determined by the Institute. If semi-finalists are selected, the semi-finalists will then enter into a Non-Disclosure Agreement with the Institute to view the assets of the Institute and the list of portfolio companies which the Institute has funded, and each will be asked to revise their Proposal based on the received information. One or more finalist(s) will then be selected based on the evaluation criteria. The Institute reserves the right to reject all proposals or to award the services to multiple Firms.

This RFP is divided into the following sections:

- Section 1 Specific Information Regarding this RFP
- Section 2 General Instructions
- Section 3 General Terms and Conditions of Agreement
- Section 4 Scope of Services and Deliverables

1.2 **Scope of Services.** The Institute is seeking proposals from experienced Firms to provide private fund management services for the Institute including, but not limited to, representation, information, professional advice, and support services which include those services as further outlined in Section 4 (the “**Services**”).

1.3 **Preliminary RFP Schedule.** These dates are estimates only and are subject to change by the Institute and the schedule of pertinent events for this RFP may be viewed on the Institute’s website.

<u>Event</u>	<u>Date</u>	<u>Time</u>
RFP Posted on the Institute’s Website	Monday June 25	5:00 PM
Question Submission Deadline	Thursday July 19	5:00 PM
Responses to Question Posted	Thursday July 26	5:00 PM
Proposals Due	Thursday August 16	5:00 PM
Proposals Opened	Monday August 20	9:30 AM – 6:00 PM
Proposals Evaluated (selection of semi-finalists/finalists)	Monday August 20	All Day
Semi-finalist Proposals Evaluated (selection of finalists – if applicable)	Monday September 10	All Day
Notice of Selected Firm(s) Posted on Institute’s Website (if applicable)	Tuesday September 11	5:00 PM

finalist not previously selected)		
Deadline to File Protest (if finalist not previously selected)	Tuesday September 18	5:00 PM
Proposed Contract Award Date	On or before Monday October 15	5:00 PM

1.4 **Minimum and Preferred Requirements of a Firm.** A Firm must satisfy the following mandatory minimum requirements to provide the Services. In the submitted Proposal, the Firm must warrant and represent that it satisfies these requirements. The Firm:

- Must be a for-profit limited liability company or a for-profit corporation formed, governed and operated in accordance with chapter 605 or 607, respectively [288.9625(10)(a)];
- Must have a history of investing in early stage ventures in the State of Florida and outside the State [288.9625(10)(d)];
- Must have expertise and experience in the management and operation of early stage companies in Florida [288.9625(10)(c)];
- Must have a working knowledge and understanding of the investment portfolio and the relevant industries of the portfolio companies in this state [288.9625(10)(d)];
- Shall employ personnel and professionals who have (i) experience in investing in early stage ventures in Florida; (ii) experience in participating in the management of early stage and emerging growth Florida companies; (iii) knowledge of the investment portfolio and portfolio companies of the Institute; and (iv) financial, technical, and business expertise to manage the technology fund activity [288.9625(10)(e)];
- Must have expertise and experience in the management and operation of early stage venture funds [288.9622(2)]; and
- Must be familiar with the seed and early stage investment industry in Florida [288.9622(4)].

A Firm applying for the Private Fund Management position preferably satisfies the following requirements to provide the Services:

- Have a demonstrated commitment to the Florida market and expanding and diversifying Florida’s innovation economy;
- Have under management, or have managed a fund, having no less than Ten Million Dollars (\$10,000,000.00) of investment assets in Florida-based companies;
- Have a successful track record in raising and deploying seed and/or early stage venture funds; and
- Have experience in working with state government, including, without limit, compliance with the public records, conflicts of interest, and sunshine laws that the Institute is subject to under the Florida Statutes.

1.5 **Response Format.** Firms should provide qualifications and describe significant experience that aligns with the Services. Responses shall be organized in the manner set forth below, and should provide information that addresses the following items:

a) Title Page. Include RFP Title, Firm's full name, address, phone number.

b) Cover Letter. Include the following:

- Date of Letter;
- RFP Title;
- Firm's full name, address and phone number;
- Type of business (sole proprietorship, partnership, corporation, etc.);
- State of incorporation;
- Headquarters location and whether offices are located in the state of Florida, and if so, where;
- Names of the persons who will be authorized to make representations for the Firm, their titles, addresses (including email address) and telephone numbers;
- Firm's Federal Employer ID Number; and
- Signature of Authorized Representative.

c) Proof of Minimum and Preferred Requirements. Firms must provide a clear explanation and documentation demonstrating that they satisfy the mandatory minimum requirements outlined in Section 1.4 above. Firms should further provide a clear explanation and documentation of any of the preferred requirements that the Firm satisfies. In addition to explanation how each of those requirements are met, Proposals shall include the following:

- Description of the Firm and its background, including the number of associates in Florida and in particular the location of all associates who will participate in fund management activities, and their industry focus or role within the Firm;
- Description of the Firm's experience and qualifications in raising and managing investment funds, including examples of success;
- Description of the Firm's experience and qualifications in advising innovation companies, including examples of success;
- Identification of the associate or associates in the Firm who would be the primary contact for the Institute, and briefly describe their background(s);
- Description of the Firm's anti-discrimination and affirmative action/equal opportunity policies;
- Demonstration of legal and compliance (attachments, if needed, are excluded from the page count limit);
 - Describe any securities or tax law related regulatory or felony criminal investigation, indictment, prosecution or other proceeding brought within the last 10 years against the Firm, its management or any associate within the Firm who might provide services to the Institute;
 - Describe any securities or tax law related civil complaint seeking damages in excess of \$25,000 alleging fraud, deceptive practices, malfeasance, or any similar charge of misconduct brought against the management of the Firm or associates within the Firm

who might provide services to the Institute, currently pending or concluded within the past three years; and

- Describe any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting the right of the Firm, its management, or any associate within the Firm who might provide services to the Institute to engage in such practices.
- Conflicts of Interest;
 - Identify any conflicts of interest that may arise as a result if the Firm is selected to serve as Private Fund Manager to the Institute, and if applicable, how would any potential conflict be resolved or managed; and
 - Describe any activity in which the Firm is engaged (whether compensated or pro bono) that is averse to the State of Florida in matters directly or indirectly related to the purposes and activities of the Institute.

d) Firm's Plan. Provide a detailed description as to how the Firm can support the purpose and mission of the Institute and how it intends to carry out the Services of the Private Fund Manager to maximize the existing portfolio of Institute investments made through the Florida Technology Seed Capital Fund, a subsidiary of the Institute, and loans made through the Seed Capital Accelerator Program, and to carry out the mission and purpose of the Institute pursuant to the Capital Formation Act. In addition to explanation how the Firm plans to carry out each of the Services, Proposals should include the following:

- Describe the proposed business/legal structure used to accomplish management of the Institute assets;
- Describe the Firm's experience and commitment to the Florida market, including relationships with Florida funds, angel networks, economic development organizations, colleges, universities and research institutes, and other members of the Florida innovation ecosystem; and
- Describe the Firm's relationships with resources outside of Florida that may be brought to bear for the benefit of Florida business.

e) Compensation. Consistent with Section 4.3, describe the proposed fee structure for carrying out the Services. In addition, describe how the Firm distributes its fees to partners/associates.

f) Current Fund Performance. Provide evidence, strategy and information related to the Firm's performance of the funds under management.

1.6 **Proposal Delivery Location**. Proposals must be delivered to the following location:

Institute for the Commercialization of Florida Technology
(formerly known as the Institute for Commercialization of Public Research)
3651 FAU Blvd. Suite 400
Boca Raton, FL 33431

Attn: Teri Hart

1.7 **Sealing and Marking the Proposal.** Proposal must be sealed in one package and clearly be labeled “**2018 Private Fund Management RFP**” on the outside of the package.

1.8 **Point of Contact.** The Institute’s Point of Contact for this RFP is Teri Hart Email: rfp@florida-institute.com. Please refer to Section 2.11 for further information on who may and may not be contacted regarding this RFP.

1.9 **Questions.** Any questions regarding the process or the services requested under this RFP must be submitted via email to Teri Hart at rfp@florida-institute.com no later than Thursday, July 19, 2018, 5:00 P.M. E.T. Responses to the questions will be posted on the Institute’s website: <http://www.florida-institute.com> on Thursday, July 26, 2018, 5:00 P.M. E.T.

1.10 **Term of Agreement.** The initial agreement term with the selected Firm(s) will be for a three-year period. The Institute will have the sole option to renew such agreement for additional one-year to three-year periods upon satisfactory performance by the Firm. The Institute may terminate the Agreement for any of the reasons outlined in Section 3.12 or as may be further provided in the Contract.

(End of Section 1- Remainder of page intentionally left blank)

SECTION 2 General Instructions

2.1 **Licenses, Permits, Local Laws and Requirements.** The selected Firm shall secure all licenses and permits and must become familiar with any local and state laws, which may, in any manner, affect the Services required. The Firm is required to carefully examine the RFP terms and to become thoroughly familiar with all conditions and requirements that may in any manner affect the work to be performed under the resulting contract. Prior to contracting with the Institute, owners of all forms of business doing business in the State of Florida, except sole proprietorships, must register with and be in good standing with the Florida Department of Corporations. A foreign corporation cannot transact business in the State of Florida until it obtains a certificate of authority from the Department of State.

2.2 **Right to Amend, Cancel or Reissue.** The Institute reserves the right to amend, cancel or reissue this RFP at its discretion. This includes the right to change the Proposal Due Date and the Contract Award Date. Notice of all amendments and cancellations will be posted on the Institute's website: <http://www.florida-institute.com>. Each Firm is responsible for monitoring this website for new or changing information.

2.3 **Withdrawal of Proposals.** A Firm may request a proposal be withdrawn from consideration. Proposals that have been submitted to the Institute become a public record, subject to public record retention requirements.

2.4 **Format of Proposals.**

a) Proposals should be prepared simply and economically, providing a straightforward, concise description of Firm's ability to provide services sought by the RFP. Unnecessary brochures, artwork, expensive paper, and presentation aids are discouraged.

b) Proposals shall be typewritten and limited to twenty-five (25) pages (printing on front and back preferred), with a page size of 8¹/₂" x 11". Font size shall be 11 points or larger. The Proposal shall be indexed and all pages sequentially numbered. Reviewers will have no obligation to review appendices or attachments beyond the page limits.

c) Except as may be specifically requested in the Proposal Format, Firm may not impose any additional terms or conditions to any aspect of the RFP. The Institute objects to and shall not be required to consider any additional terms or conditions submitted by Firm, including any appearing in the Proposal. In submitting a Proposal, Firm agrees that any additional terms or conditions shall have no force or effect. Any failure to comply with the terms and conditions of the RFP, including those specifying information that must be submitted with a Proposal, may result in a Proposal being deemed non-responsive.

d) Price offerings shall be inclusive of all costs, including but not limited to administrative costs and the Firm's fees for providing the Services, which shall be consistent with industry fund management practices.

e) Failure to sign any form requiring a signature may be grounds for a Proposal being deemed non-responsive.

2.5 **Submission of Proposals.**

a) The responsibility for delivering Proposals to the Institute on or before the stated time and date is solely the responsibility of the Firm. Delivery of a proposal to any Institute location other than the location listed above does not constitute official receipt by the Institute. Reliance upon mail or public carrier is at Firm's risk. Late proposals will not be considered.

b) Firm shall submit in one sealed package:

- One original signed version of its Proposal clearly marked as "ORIGINAL."
- Ten hard copies of the entire Proposal.
- One thumb-drive with an electronic copy (in .pdf format) of entire Proposal.

The original, hard copies and thumb-drive are to be placed in one sealed package. The outside must be marked with (i) the RFP title, and (ii) Firm's name, address, contact person, and telephone number. It is the sole responsibility of each Firm to assure all copies are exact duplicates of the original Proposal.

2.6 **Evaluation of Proposals.** The Institute will determine the qualifications, interest and availability of the Firms by reviewing all Proposals and, when deemed necessary in the sole discretion of the Institute, by conducting formal interviews of selected Firms that are determined to be the best qualified based upon evaluation of the Proposals. The determination of which Firms are "best qualified" will be based upon the criteria set forth in the RFP. Before making an award, the Institute reserves the right to seek clarifications, revisions, and information it deems necessary for the proper evaluation of Proposals. Failure to provide any requested clarifications, revisions or information may result in rejection of the Proposal. The Board shall, at its option, have the authority to require independent diligence to substantiate and audit the responses provided in the Proposals.

2.7 **Right to Reject Proposals.** The Institute reserves the right to make an award it determines to be in its best interests or to reject any and all proposals. Further, the Institute, in making its award decision, retains the authority to waive what it considers to be minor irregularities in a Proposal or to seek clarification on certain issues from any Firm submitting a proposal. Failure to provide requested information may result in the rejection of a Proposal.

2.8 **Selection of the Firm(s); Protest.** The Institute shall post a notice to award the Contract to the selected Firm(s) on the Institute's website. Any protest regarding the selected Firm(s) must be received

on or before five business days after the date the notice to award the contract is posted on the Institute's website. The Board Chair shall have the authority to settle and resolve an award protest. If the bid protest is not resolved by mutual agreement, the Board Chair or her designee shall promptly issue a decision in writing. The decision shall specifically state the reasons for the action taken and inform the protestor of his/her right to challenge the decision. Any person aggrieved by any action or decision of the Board Chair or her designee with regard to any decision rendered under this section may appeal said decision by filing a lawsuit in the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida, in accordance with the applicable court rules.

2.9 **The Contract.** After selection of the successful Firm(s), the Institute and the Firm(s) will promptly enter into a written agreement (the "**Contract**") incorporating the terms of the RFP, the successful Proposal, and other terms and conditions as may be agreed to between the parties. To the extent the Proposal contains exceptions to or modifications of the RFP, such exceptions or modifications are stricken unless the Institute affirmatively accepts the exceptions or modifications in the Contract. The Contract will contain at a minimum the provisions in Section 3, along with any provision under this RFP, any provision as a result of the Firm's response to the RFP, and any other provisions as the Institute deems necessary to include in the Contract, which it may determine at its sole and absolute discretion.

2.10 **Public Meetings and Special Accommodations.** Any meetings of the RFP evaluation committee shall be noticed on the Institute's website and shall comply with Florida's Open Meetings Laws. Persons requiring a special accommodation because of a disability should contact the Point of Contact identified in Section 1.8 at least forty-eight (48) hours prior to the meeting.

2.11 **Ex-Parte Communications.** Ex Parte communications regarding the RFP by a potential Firm, vendor, service provider, bidder, lobbyist or consultant are prohibited. This prohibition includes communications with the Institute's Board Members and employees, but shall not include those communications with employees who have recused themselves from the RFP Process. Violations may result in the rejection and disqualification of a Proposal.

2.12 **Cost of Developing RFP Proposal.** All costs related to the preparation of Proposals and any related activities are the sole responsibility of Firm. The Institute assumes no liability or responsibility for any costs incurred by any Firm throughout the entire selection process.

2.13 **Proposal Ownership.** All Proposals, including attachments, supplementary materials, addenda, etc., shall become property of the Institute, are a public record, and shall not be returned to Firm. The Institute will have the right to use any and all ideas or adaptation of ideas presented in any Proposal.

2.14 **Public Records Law; Process for Protecting Trade Secrets and Other Information.**

a) Per subsection 119.071(1)(b)2 of the Florida Statutes, sealed proposals received in response to this RFP are exempt from subsection 119.07(1) of the Florida Statutes and Subsection 24(a) of Article I of the Florida Constitution (the Public Records Act) until notice of an intended decision by

the Institute or until thirty (30) days after opening the proposals, whichever is earlier. At that time, the proposals received will be made available to the public.

b) Trade secrets and information confidential and exempt from Subsection 119.07(1) of the Florida Statutes and Subsection 24(a) of Article I of the Florida Constitution, are not solicited nor desired as information to be submitted with proposals. The Florida Statutes and the State Constitution govern whether information in a qualifications package is confidential or exempt from the Public Records Act. If information is submitted in a proposal which the Firm deems to be a trade secret or confidential and exempt from the Public Records Act, the information shall be submitted with the proposal in a separate, clearly marked envelope referencing the specific statutory citation for such exemption. Submitted proposals which are marked “confidential” (or other similar language) in their entirety or those in which a significant portion of the submitted proposal is marked “confidential” may be deemed non-responsive by the Institute. The Institute is not obligated to agree with the Firm’s claim of an exemption and, by submitting a qualifications package, the Firm agrees to be responsible for defending its claim that each and every portion of the separately marked information is exempt from inspection and copying under the Public Records Act. The Firm agrees that it shall protect, defend, and indemnify, including attorney’s fees and costs, the Institute for any and all claims and litigation (including litigation initiated by the Institute) arising from or relating to the Firm’s claim that the separately marked portions of its proposal are not subject to disclosure. If the Firm fails to separately mark portions of its proposal or marks its proposal “confidential” (or other similar language) in its entirety, the Institute is authorized to produce the entire proposal submitted by the Firm in responding to a public records request.

2.15 Multiple Proposals from Same Firm. Any or all Proposals will be rejected if there is reason to believe that collusion exists between Firms. Proposals in which the prices obviously are unbalanced will be grounds for rejection.

2.16 Convicted Vendor List. A person or affiliate placed on the State of Florida convicted vendor list, Florida Statutes; following a conviction for a public entity crime may not do any of the following for a period of thirty six (36) months from the date of being placed on the convicted vendor list:

- Submit a bid on a contract to provide any goods or services to a public entity;
- Submit a bid on a contract with a public entity for the construction or repair of a public building or public work;
- Submit bids on leases of real property to a public entity;
- Be awarded or perform work as a Firm, Supplier, Subconsultant, or Consultant under a contract with any public entity.

2.17 Discriminatory Vendor List. An entity or affiliate placed on the State of Florida Discriminatory Vendor List may not provide any goods or services to the Institute or perform work as a supplier, contractor, consultant or sub-consultant under contract with the Institute.

2.18 **Scrutinized Companies.** Section 287.135 of the Florida Statutes prohibits the Institute from entering into a contract for goods or services of \$1 million or more with companies that are participating in a boycott of Israel, are on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or that have business operations in Cuba or Syria. If the resulting contract may be \$1 million or more, the Firm's submission of a proposal certifies that the Firm (i) is not participating in a boycott of Israel, (ii) is not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, and (iii) does not have business operations in Cuba or Syria.

2.19 **Firm Representations.** In submitting a Proposal, a Firm understands, represents, and acknowledges the following (if Firm cannot so certify to any of following, a Firm shall submit with its Proposal a written explanation of why it cannot do so).

- The Firm currently has no delinquent obligations to the Institute or any of its independent agencies;
- The Proposal is submitted in good faith and without any prior or future consultation or agreement with any other respondent or potential respondent;
- To the best of the knowledge of the person signing the Proposal, neither the Firm, its affiliates, subsidiaries, owners, partners, principals or officers:
 - is currently under investigation by any governmental authority for conspiracy or collusion with respect to bidding on any public contract;
 - is currently under suspension or debarment by any governmental authority in the United States;
 - has within the preceding three years been convicted of or had a civil judgment rendered against it, or is presently indicted for or otherwise criminally or civilly charged, in connection with (i) obtaining, attempting to obtain, or performing a federal, state, or local government transaction or public contract; (ii) violation of federal or state antitrust statutes; or (iii) commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; or
 - has within the preceding three-year period had one or more federal, state, or local government contracts terminated for cause or default.
- The Firm has made a diligent inquiry of its employees and agents responsible for preparing, approving, or submitting the Proposal;
- The Firm shall indemnify, defend, and hold harmless the Institute and its employees against any cost, damage, or expense which may be incurred or be caused by any misrepresentation in the Proposal; and
- All information provided by, and representations made by the Firm are material and important and may be relied upon by the Institute in awarding the Contract.

(End of Section 2- Remainder of page intentionally left blank)

SECTION 3 General Terms and Conditions of Agreement

3.1 **Provision of Services.** The Firm shall provide the Institute with all of the Services and deliverables described in the RFP, the Proposal and the resulting Contract (the “**Contract Documents**”). If any services, functions or responsibilities are not specifically described in the Contract Documents but are necessary for the proper performance and provision of the Services, they shall be deemed to be implied by and included within the scope of the Services to the same extent and in the same manner as if specifically described herein.

3.2 **Relationship of the Parties.** In performance of the Services, the Firm shall be acting in the capacity of an independent contractor and not as an agent, employee, partner, joint venture or associate of the Institute. The Firm shall be solely responsible for the labor, supplies, materials, means, methods, techniques, sequences and procedures utilized to perform the Services in accordance with the Contract.

3.3 **Institute’s Right to Make Changes.** The Institute may unilaterally require, by written order, changes altering, adding to, or deducting from the Services (“**Changes**”), provided that such Changes are within the general scope of the Contract or within Florida law. The Parties will cooperate with each other in good faith in discussing the scope and nature of the Changes, the availability of the Firm personnel, the expertise and resources to provide such Changes, and the time period in which such Changes will be implemented.

3.4 **Service Representations and Warranties.** The Firm represents and warrants that the Services shall be performed and delivered in a professional, first-class manner in accordance with the Contract and the standards prevailing in the industry. The Firm shall also undertake the following actions without additional consideration during the term of the Contract and for one year thereafter: (i) promptly making necessary revisions or corrections to resolve any errors and omissions on the part of the Firm; and (ii) conferring with the Institute for the purpose of interpreting any of the Services or information furnished. Acceptance of the Services by the Institute shall not relieve the Firm of these responsibilities. The representations, warranties and covenants in this paragraph will extend to all Subconsultants as well.

3.5 **Institute’s Assistance.** At the Firm’s request, the Institute will provide reasonable assistance and cooperation to the Firm, including the supply of any data and information necessary for the Firm to provide the Services.

3.6 **Use of Subconsultants; Flow-Down Provisions.** Except to the extent the use of Subconsultants is disclosed in the Proposal or consented to in writing by the Institute, the Firm shall not be allowed to subcontract or assign any of its duties and obligations hereunder. In all cases, the Firm will be responsible for the acts or omissions of its Subconsultants. The Firm will ensure that all relevant contractual obligations will flow down to the Subconsultant and will be incorporated into the subcontracts (including but not limited to the obligations relating to insurance, indemnification, delays,

intellectual property rights, public records, non-discrimination, audits, security, location of services, termination, transition assistance, warranties, and the manner in which the Services are to be performed).

3.7 **Meetings and Reports.** The Firm must attend all meetings and public hearings relative to the Services where its presence is determined to be necessary and requested by the Institute and the Firm can reasonably schedule its appearance. Unless otherwise agreed, the Firm shall provide an annual report summarizing the Firm's performance consistent with 288.9625 Florida Statutes. The Firm shall provide other periodic reports respecting the Services as the Institute reasonably requests.

3.8 **Payment.** Payment to the Firm for Services shall be made pursuant to the Contract.

3.9 **Retention of Records/ Audits.**

a) The Firm must establish and maintain books, records, contracts, sub-contracts, papers, financial records, supporting documents, statistical records and all other documents pertaining to the Contract (collectively, the "**Records**"), in whatsoever form or format (including electronic storage media) that is reasonable, safe and sufficient.

b) The Firm must retain all Records for a minimum period of five (5) years after the final payment is made under the Contract. If an audit has been initiated and audit findings have not been resolved at the end of the five (5) year period, the Records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of the Contract, at no additional cost to the Institute. Records shall be retained for longer periods when the retention period exceeds the time frames required by law or ordinance.

c) At all reasonable times for as long as the Records are maintained, the Firm must allow persons duly authorized by the Institute (including the Institute's auditor and inspector general offices), to have full access to and the right to examine, copy or audit any of the Records, regardless of the form in which kept. The Firm will not charge the Institute for any setup, supervision or space in connection with the examination and audit. Photocopying charges will not exceed the actual and reasonable cost of the copies to the Firm, and the Institute shall be permitted to bring its photocopying equipment if the Institute so desires.

d) To the extent that the Firm is subject to the audit requirements under Section 215.97 of the Florida Statutes, the Firm must comply with and cooperate in any audits or reports requested by the Institute and must ensure that all related party transactions are disclosed to the auditor.

e) The Firm must permit the Institute to interview any of the Firm's employees, Subconsultants and Subconsultant employees to assure the Institute of the satisfactory performance of the terms and conditions of the Contract. Unless the parties agree otherwise or the Institute is willing to pay for the employee's reasonable travel expenses, the interviews will be conducted at the employee's primary place of work. The Firm will not charge the Institute for any employee time unless the interview time for that employee exceeds eight (8) hours in a calendar year.

f) Following any audit or review, if, in the opinion of the Institute the performance of the Firm is deficient, the Institute will deliver to the Firm a written report of the deficiencies and request for development by the Firm of a corrective action plan. the Firm hereby agrees to prepare and submit, to the Institute, said corrective plan within ten (10) days of receiving the Institute's written report. Thereafter, the Firm must correct all deficiencies in the corrective action plan within a reasonable time after the Institute's receipt of the corrective action plan.

g) All reports and other information provided by the Firm pursuant to this Section shall be submitted under penalties of perjury, under Section 837.06, Florida Statutes.

h) The Firm must include the aforementioned audit, inspection, investigation and record-keeping requirements in all subcontracts and Contract assignments.

i) The Firm agrees to reimburse the Institute for the reasonable costs of investigation incurred by the Institute for audits, inspections and investigations that uncover a material violation of the Contract. Such costs shall include the salaries of investigators, including overtime, travel and lodging expenses, and expert witness and documentary fees. The Firm shall not be responsible for any costs of investigations that do not uncover a material violation of the Contract.

3.10 Indemnification. The Firm shall hold harmless, indemnify, and defend the Institute and the Institute's members, officers, officials, employees and agents, to the fullest extent permitted by law, from and against all claims, damages, losses, liens, and expenses, (including but not limited to fees and charges of attorneys or other professionals and court and arbitration or other dispute resolution costs) to the extent caused by: (i) the performance of services under this Contract by the Firm or any person or organization directly, or indirectly, employed by the Firm to perform or furnish any of the services or anyone for whose acts any of them may be liable; (ii) breach of the terms of this Agreement by the Firm or any person or organization directly, or indirectly, employed by the Company to perform or furnish any of the services or anyone for whose acts any of them may be liable; (iii) violations of applicable law by any person or organization directly or indirectly employed by the Firm to perform or furnish any services under this Contract or anyone for whose acts any of them may be liable; or (v) the negligence, recklessness, or intentional wrongful misconduct of the Firm and persons employed or utilized by the Firm in the performance of this Contract.

3.11 Insurance. Without limiting its liability under the Contract, the Firm shall at all times during the term of the Contract procure prior to commencement of work and maintain at its sole expense during the life of this Contract (and the Firm shall require its, Subconsultants, laborers, materialmen and suppliers to provide, as applicable), insurance of the types and limits not less than amounts stated below:

Insurance Coverages

Schedule	Limits
<p>Worker’s Compensation Employer’s Liability</p>	<p>Florida Statutory Coverage \$ 100,000 Each Accident \$ 500,000 Disease Policy Limit \$ 100,000 Each Employee/Disease</p>

This insurance shall cover the Firm (and, to the extent they are not otherwise insured, it’s Subconsultants) for those sources of liability which would be covered by the latest edition of the standard Workers’ Compensation policy, as filed for use in the State of Florida by the National Council on Compensation Insurance (NCCI), without any restrictive endorsements other than the Florida Employers Liability Coverage Endorsement (NCCI Form WC 09 03), those which are required by the State of Florida, or any restrictive NCCI endorsements which, under an NCCI filing, must be attached to the policy (i.e., mandatory endorsements). In addition to coverage for the Florida Workers’ Compensation Act, where appropriate, coverage is to be included for the Federal Employers’ Liability Act, USL&H and Jones, and any other applicable federal or state law.

Commercial General Liability	<p>\$2,000,000 General Aggregate \$2,000,000 Products & Comp. Ops. Agg. \$1,000,000 Personal/Advertising Injury \$1,000,000 Each Occurrence \$50,000 Fire Damage \$5,000 Medical Expenses</p>
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Such insurance shall be no more restrictive than that provided by the most recent version of the standard Commercial General Liability Form (ISO Form CG 00 01) as filed for use in the State of Florida without any restrictive endorsements other than those reasonably required by the Institute’s Office of Insurance and Risk Management. An Excess Liability policy or Umbrella policy can be used to satisfy the above limits.

Automobile Liability	<p>\$1,000,000 Combined Single Limit (Coverage for all automobiles, owned, hired or non-owned used in performance of the Contract)</p>
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Such insurance shall be no more restrictive than that provided by the most recent version of the standard Business Auto Coverage Form (ISO Form CA0001) as filed for use in the State of Florida without any restrictive endorsements other than those which are required by the State of Florida, or equivalent manuscript form, must be attached to the policy equivalent endorsement as filed with ISO (i.e., mandatory endorsement).

Professional Liability

\$1,000,000 per Claim and Aggregate

Any entity hired to perform professional services as a part of this contract shall maintain professional liability coverage on an Occurrence Form or a Claims Made Form with a retroactive date to at least the first date of this Contract and with a three-year reporting option beyond the annual expiration date of the policy.

Errors & Omissions

\$3,000,000 per Claim and Aggregate

On or before the Effective Date of this Contract, the Firm shall provide the Institute with Certificates of Insurance evidencing compliance with the coverage requirements in this section. Such certificates shall provide that the insurance policies will not be materially changed or canceled until at least thirty days' prior written notice has been given to the Institute. Failure of the Institute to demand such certificate or other evidence of full compliance with these insurance requirements or failure of the Institute to identify a deficiency from evidence that is provided shall not be construed as a waiver of the Firm's obligation to maintain such insurance.

3.12 **Institute's Right to Terminate for Convenience.** The Institute reserves the right to terminate the Contract at any time and for any reason by giving written notice to the Firm. Upon the date of termination, the Institute will be relieved of all further obligations other than payment for that amount of Services actually performed to the date of termination.

3.13 **Transition Services.** At any time prior to the date the Contract expires or terminates for any reason (the "**Termination Date**"), the Institute may request the Firm to provide reasonable transition assistance services ("**Transition Assistance**"). The Firm shall provide such Transition Assistance until such time as the Institute notifies the Firm that the Institute no longer requires such Transition Assistance, but in no event for more than one hundred eighty (180) days following the Termination Date. "**Transition Assistance**" shall mean any services, functions or responsibilities that are ordinarily or customarily provided to an incoming fund manager to ensure that the services provided by the Firm are fully transitioned in a smooth and efficient manner to a new service provider (either the Institute itself or a third-party Firm). Transition Assistance includes the development and implementation of a detailed transition plan.

3.14 **Force Majeure, Notice of Delay, and No Damages for Delay.** Neither party shall be responsible for delays in performance if the delay was beyond that party's control (or the control of its employees, Subconsultants or agents). The Firm shall notify the Institute in writing of any such delay or potential delay and describe the cause of the delay either: (1) within ten (10) calendar days after the cause that creates or will create the delay first arose, if the Firm could reasonably foresee that a delay could occur as a result, or (2) if delay is not reasonably foreseeable, within five (5) calendar days after the date the Firm first had reason to believe that a delay could result. Based upon such notice, the Institute will give the Firm a reasonable extension of time to perform; provided, however, that the Institute may elect to terminate the Contract in whole or in part if the Institute determines, in its sole judgment, that such a delay will significantly impair the value of the Contract to the Institute. Providing

notice in strict accordance with this paragraph is a condition precedent to such remedy. THE FOREGOING SHALL CONSTITUTE THE FIRM'S SOLE REMEDY OR EXCUSE WITH RESPECT TO DELAY. No claim for damages, other than for an extension of time, shall be asserted against the Institute. The Firm shall not be entitled to an increase in the Contract price or payment of any kind from the Institute for direct, indirect, consequential, impact or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency arising because of delay, disruption, interference, or hindrance from any cause whatsoever.

3.15 **No Waiver.** The delay or failure by a party to exercise or enforce any of its rights under the Contract shall not constitute or be deemed a waiver of that party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. Unless otherwise agreed in writing, the Institute's payment for the Services shall not release the Firm of its obligations under the Contract and shall not be deemed a waiver of the Institute's right to insist upon strict performance hereof.

3.16 **Qualification of the Firm Employees, Subconsultants, and Agents.**

a) All employees, Subconsultants and agents performing work under the Contract must comply with all reasonable administrative requirements of the Institute and with all controlling laws and regulations relevant to the services they are providing under the Contract. the Institute may conduct, and the Firm shall cooperate in, a security background check or other assessment of any employee, Subconsultant or agent furnished by the Firm. The Institute may refuse access to, or require replacement of, any personnel for reasonable cause.

b) The Firm shall take all actions necessary to ensure that the Firm's employees, Subconsultants and agents are not considered employees of the Institute. Such actions include, but are not limited to, ensuring that the Firm's employees, Subconsultants and agents receive payment and any legally mandated insurance (e.g., workers' compensation and unemployment compensation) from an employer other than the Institute.

c) As a condition to providing services to the Institute, the Firm (and any Subconsultant) will enroll and participate in the federal E-Verify Program within thirty days of the effective date of the Contract. Proof of enrollment and participation will be made available to the Institute upon request.

3.17 **Restrictions on the Use or Disclosure of the Institute's Information.** The Firm shall not use, copy or disclose to third parties, except in connection with performing the Services, any information obtained by the Firm or its agents, Subconsultants or employees in the course of performing the Services, including, but not limited to, security procedures, business operations information, or commercial proprietary information in the possession of the Institute. At the Institute's request, all information furnished by the Institute will be returned to the Institute upon completion of the Services. The Firm shall not be required to keep confidential any information that has already been made publicly available through no fault of the Firm or that the Firm developed independently without relying on the Institute's information. To ensure confidentiality, the Firm shall take appropriate steps as to its

employees, agents, and Subconsultants, including the insertion of these restrictions in any subcontract agreement. The warranties of this paragraph shall survive the Contract.

3.18 Protection of the Firm's Trade Secrets and Other Confidential Information. All documents received by the Institute in connection with this Agreement are subject to Chapter 119, Florida Statutes (the "**Florida Public Records Law**"). Any specific information that the Firm claims to be a trade secret or otherwise exempt from the Florida Public Records Law must be clearly identified as such by the Firm on all copies furnished to the Institute. The Institute agrees to notify the Firm of any third-party request to view such information, but it is the Firm's obligation to obtain a court order enjoining disclosure. If the Firm fails to obtain a court order enjoining disclosure within five (5) business days of the Firm's receiving notice of the request, the Institute may release the requested information. Such release shall be deemed for purposes of the Contract to be made with the Firm's consent and will not be deemed to be a violation of law, including but not limited to laws concerning trade secrets, copy right or other intellectual property.

3.19 Public Records. To the extent the Company is acting on behalf of the Institute as provided under Subsection 119.011(2) of the Florida Statutes, the Company shall in accordance with Section 119.0701, except as exempted under Section 288.9627, of the Florida Statutes:

a) Keep and maintain public records required by the Institute to perform the services under this Agreement.

b) Upon request from the Institute's custodian of public records, provide the Institute with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119 of the Florida Statutes or otherwise provided by law.

c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement if the Company does not transfer the records to the Institute.

d) Upon the expiration of this Agreement, transfer at no cost to the Institute, all public records in possession of the Company or keep and maintain public records required by the Institute to perform the service. If the Company transfers all public records to the Institute upon completion of the Agreement, the Company shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Company keeps and maintains public records upon completion of the Agreement, the Company shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Institute, upon request from the Institute's custodian of public records, in a format that is compatible with the information technology systems of the Institute.

e) If the Company fails to provide the public records to the Institute within a reasonable time the Company may be subject to penalties under Section 119.10 of the Florida Statutes. Further, the Institute may exercise any remedies at law or in equity, including, without limitation, the right to: (i) impose sanctions and assess financial consequences, (ii) withhold and/or reduce payment, and (iii) terminate this Agreement in accordance with the terms hereof.

If the Company has questions regarding the application of Chapter 119, Florida Statutes, to the Company's duty to provide Public Records relating to this Agreement, or any of the exemptions under Section 288.9627, contact the Institute's Custodian of Public Records at the Institute for the Commercialization of Florida Technology ((formerly known as the Institute for Commercialization of Public Research) 3651 FAU Blvd. Suite 400 Boca Raton, FL 33431 or via telephone at (561) 368-8889 x 1500 or email at jane.teague@florida-institute.com.

3.20 **Assignment.** Each party binds itself and its respective successors and assigns in all respects to all of the terms, conditions, covenants and provisions of the Contract. The Firm shall not sell, assign or transfer any of its rights (including rights to payment), duties or obligations under the Contract without the prior written consent of the Institute. In the event of any assignment, the Firm shall remain liable for performance of the Contract unless the Institute expressly waives such liability in writing. The Institute may assign the Contract with prior written notice to the Firm of its intent to do so. Nothing herein shall be construed as creating any personal liability on the part of any officer, employee or agent of the Institute.

3.21 **Notice and Approval of Changes in Ownership.** Because the award of the Contract may have been predicated upon the Firm's ownership structure, the Firm agrees that any transfer of a substantial interest in the Firm by any of its owners shall require the Institute's prior written approval, which approval shall be at the sole and absolute discretion of the Institute. By execution of the Contract, the Firm represents that it has no knowledge of any intent to transfer a substantial interest in the Firm. A substantial interest shall mean at least 25% of the voting shares in the Firm. This section shall not apply to: (i) transfers occurring upon the incapacitation or death of an owner; (ii) transfers associated with an initial public offering on the NYSE or NASDAQ markets; or (iii) transfers to a company whose stock is publicly traded on the NYSE or NASDAQ markets.

3.22 **Assignment of Antitrust Claims.** The Firm and the Institute recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the Institute. Therefore, the Firm hereby assigns to the Institute any and all claims under the antitrust laws of Florida or the United States for overcharges of goods, materials or services purchased in connection with the Contract.

3.23 **Equal Employment Opportunity.** The Equal Opportunity clause in Title 41, Part 60-1.4 of the Code of Federal Regulations (Paragraphs 1 through 7 of President's Executive Order 11246), the provisions of the Equal Opportunity for Individuals with Disabilities Act in 42 U.S.C. Section 12112,

the Listing of Employment Openings for Veterans Clause in Title 41, Part 50-260.2 of the Code of Federal Regulations and the Disabled Veterans and Veterans of the Vietnam era Clause in Title 41, Part 60-250.5 of the Code of Federal Regulations, are incorporated herein by reference if and to the extent applicable. If the Firm is exempt from any of the above cited terms, written evidence of such exempt status must be provided to the Institute.

3.24 Compliance with Applicable Laws. The Firm (and any Subconsultants) must comply with all applicable federal, state and local laws, rules and regulations as the same exist and as may be amended from time to time, including, but not limited to:

- Chapter 119, Florida Statutes (the Florida Public Records Law);
- Section 286.011, Florida Statutes (the Florida Sunshine Law);
- Chapters 288.9621-288.9627, Florida Statutes (the Capital Formation Act); and
- All licensing and certification requirements applicable to performing the Services.

3.25 Representation and Warranty of Ability to Perform. The Firm represents and warrants that (i) it is ready, willing and able to perform its obligations under the Contract, and (ii) to the best of the Firm's knowledge, there are no pending or threatened actions, proceedings, investigations or any other legal or financial conditions that would in any way prohibit, restrain, or diminish the Firm's ability to satisfy its Contract obligations. The Firm shall immediately notify the Institute in writing if its ability to perform is compromised in any manner during the term of the Contract.

3.26 Representation and Warranty of Authority to Sign Contract. Each person signing the Contract represents and warrants that he or she is duly authorized to do so and to bind the respective party to the Contract.

3.27 Governing Law; Severability; Venue; Waiver of Jury Trial. The rights, obligations and remedies of the parties as specified under the Contract shall be interpreted and governed in all aspects by the laws of the State of Florida. Should any provision of the Contract be determined by the courts to be illegal, unenforceable or in conflict with any applicable law, the validity of the remaining provisions shall not be impaired. Venue for litigation of the Contract shall be exclusively in courts of competent jurisdiction located in Gainesville, Alachua County, Florida. The parties waive any and all rights to a jury trial with respect to disputes arising under the Contract.

3.28 Construction. Both parties acknowledge that they have had the opportunity to provide meaningful input into the terms and conditions contained in the Contract. Any ambiguous provisions contained herein shall not be construed against the party who physically prepared the Contract. Article headings appearing herein are inserted for convenience or reference only and shall in no way be construed to be interpretations of text.

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SECTION 4

Scope of Services and Deliverables

4.1 **Scope of Services.** The Firm selected as the Private Fund Manager shall manage all investment related affairs of the Institute and will be overseen by a Board of Directors of the Institute. The service to be provided to the Institute by the selected Firm (the “**Services**”) are as follows:

- Shall conduct activities on behalf of the Institute which are consistent with the purposes of the Institute [288.9625(10)(b)];
- Manage the investment-related affairs of the Institute [288.9625(4)];
- Shall use a thorough and detailed process that is modeled after investment industry practices to evaluate a proposal prior to investment in a Florida-based technology company [288.96255(4)];
- Manage the existing portfolio of the Institute investments made through the Florida Technology Seed Capital Fund, a subsidiary of the Institute, and loans made through the Seed Capital Accelerator Program [288.9625(12)(a)];
- Provide assistance to portfolio companies through introductions to potential investors, strategic partners, board members, customers, service providers or other resources as needed to increase their likelihood of success [288.9625(11)];
- Support portfolio companies in the negotiation of deal terms with prospective key management members, investors and strategic partners [288.9625(11)];
- Advise the Institute and guide the fund management of the technology fund and make funding recommendations, provided that capital for investment is available in the technology fund [288.96255(3)];
- Increase the availability of seed capital and early stage investment into Florida-based innovation companies, [288.9622(1)];
- Mobilize private investment into Florida-based innovation companies through a broad variety of partnerships in diversified industries and geographies [288.9622(2)];
- Mobilize private investment into Florida-based innovation companies to result in significant potential to create new business and jobs based on high growth potential technologies and products [288.9622(3)];
- To the extent that funds for investment are available in the technology fund, make investments in new qualified companies [288.9625(7)];
- Retain private sector investment criteria focused on rate of return [288.9622(2)];
- Support the Board of Directors on board appointments, annual report requirements, and other matters as required [288.9625(4)(d)];
- Foster greater private-sector investment funding [288.9625(11), 288.96255(1)];
- Encourage seed-stage investments in startup and early stage companies [288.9625(11)];
- Advise companies about how to restructure existing management, operations, product development, or service development to attract advantageous business opportunities [288.9625(11); 288.96255(1)];

- Provide other services in support of the Institute’s mission and purpose, as well as any other obligations therewith, and as may be provided under the Capital Formation Act or reasonably requested by the Board [288.9625(2), 288.9625(10)(b)]; and
- By November 1 of each year, the private fund manager shall issue an annual report to the Board of Directors of the Institute concerning the activities the Firm conducted which relate to accelerator program and technology fund investments [288.9625(14)].

The Firm may undertake the following activities on behalf of the Institute:

- Mentor, assist with the development of marketing information, and assist with attracting capital investment, as well as bring other resources to the company which may foster its effective management, growth, capitalization, technology protection, or marketing or business success [288.9625(13)(a)];
- Communicate with private investors and venture capital organizations regarding investment opportunities in the portfolio companies of the technology fund and accelerator program; [288.9625(13)(b)];
- Facilitate meetings between prospective investors and the companies [288.9625(13)(c)];
- Develop cooperative relationships with publicly supported organizations to provide resources or specific knowledge or expertise likely to be helpful to portfolio companies [288.9625(13)(d)];
- Provide a company with value-added support services in the areas of business plan development and strategy, the preparation of investor presentations, and other critical areas identified by the private fund manager to increase its chances for long-term viability and success [288.96255(6)(a)];
- Encourage appropriate investment funds to become preapproved to match investment funds [288.96255(6)(b)];
- Market the attractiveness of the state as an early stage investment location [288.96255(6)(c)];
- Raise the profile of Florida innovation companies and Florida in general throughout the US and globally [288.96255(6)(c)];
- Collaborate with state economic-development organizations, national associations of seed and angel funds, and other innovation-based associations to create an enhanced state entrepreneurial ecosystem [288.96255(6)(d)]; and
- With Board approval, transfer any portion of the assets of the investment portfolio, on behalf of the Institute, into a private fund or special purpose vehicle, receive additional private investment in the private fund or special purpose vehicle, manage the private fund or special purpose vehicle, and distribute to the technology fund and the private investors the respective pro rata portion of any net profits (as defined in 288.9623(6)) from the sale or liquidation of the assets of such private fund or special purpose vehicle [288.96255(6)(e)].

The Board may request the Firm to perform or assist the Institute, or its representatives, with certain administrative or operational functions. The Firm, in performing its duties and obligations as Private Fund Manager, and as otherwise requested or directed by the Institute, shall be responsible for

undertaking its activities in a manner which supports and ensures the Institute's compliance with at least the following:

- The open records and meeting requirements of S. 24, Art. I of the State Constitution, chapter 119, and s. 286.011 [288.9625(2)(c)];
- The code of ethics for public officers and employees as set forth in part III of chapter 112 [288.9625(2)(e)];
- The Florida Capital Formation Act of s.288.9621-.9627 [288.9625(5)];
- Applicable tax laws, including audits or tax filings as may be required by both federal and state laws; and
- Applicable for-profit and non-profit business corporation statutes pursuant to chapter 605, 607 and chapter 617 of the Florida Statutes.

4.2 **Authority.** The Firm will have the authority on behalf of the Institute to:

- Negotiate investment, sale, and liquidation terms with portfolio and non-portfolio companies [288.9625(12)(a)(1)];
- Develop and execute contracts or amendments with portfolio and non-portfolio companies [288.9625(12)(a)(2)];
- Seek new qualified companies for the investment of funds from the technology fund [288.9625(12)(a)(3)];
- Receive, on behalf of the Institute, investment capital from the sale or liquidation of any portion of the investment portfolio, loan proceeds, or other investment returns and remit such capital to the technology fund except as otherwise provided [288.9625(12)(a)(4)]; and
- Other such authority as granted by the Board of the Institute.

4.3 **Compensation.** The legislation requires that after Firm compensation and payment of expenses, the net proceeds from return on investments shall go back into the FTSCF so that the FTSCF shall be an evergreen fund for the purpose of continuing to invest in Florida- based innovation companies. The Firm shall be paid reasonable fees consistent with industry fund management practices and consisting of:

- An operational management fee, including reimbursement of expenses, paid from the proceeds of the repayment of loans from the accelerator program or other capital, proceeds, and returns available in the technology fund [288.9625(12)(b)(1)];
- A portfolio fee paid from the proceeds of each sale or liquidation of assets or portions of the assets of the investment portfolio [288.9625(12)(b)(2)]; and
- A closing fee for performing due diligence and investment closing paid from the investment amount paid by the technology fund to a company at the closing of each investment [288.9625(12)(b)(3)].

The Firm shall respond by outlining their operational management fees, portfolio fees and closing fees that they will require if chosen as the Private Fund Manager. Such fees shall be in accordance with standard industry practices. The Institute expects the Proposals to specify the amounts or percentages comprising these fees, including the makeup and/or the process for the charging and payment of the fees.

4.4 **Deliverables.** By November 1 of each year, the Firm shall issue an annual report to the Board of Directors of the Institute concerning the activities the private fund manager conducted which relate to existing accelerator program and technology fund investments in order for the Board to be in compliance with its reporting obligations under the Capital Formation Act. The annual report provided by the Firm shall be considered a public record, subject to any appropriate exceptions under s. 288.9627. The annual report, at a minimum, must include:

- A description of the benefits to this state resulting from the assets of the accelerator program and technology fund, including the number of jobs created, the amount of capital the companies raised, and other benefits relating to increased research expenditures and company growth; and
- Independently audited financial statements related to the receipt and calculation of the net profits of the investment portfolio.

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