



Massachusetts Clean Energy Center

Request for Proposals (RFP):
Growth-Stage Startup Companies for CriticalMass Program
RFP Fiscal Year 2026 CriticalMass

Date of Issue: July 2, 2025

Questions to MassCEC due: July 30, 2025

Concept Papers to Project Partners Due: August 20, 2025
11:59pm

Proposals Due to MassCEC: September 29, 2025, 11:59pm

Last updated: September 17, 2025 (all edits in red)

All Proposals Must Be Submitted To:

criticalmass@masscec.com

I. GOALS OF RFP AND PROGRAM DETAILS

The Massachusetts Clean Energy Technology Center (“[MassCEC](#)”) is issuing this Request for Proposals (the “[RFP](#)”) in order to seek applications from Climatetech Growth-Stage startups (as defined below) who are interested in conducting a commercial deployment project with a Project Partner through the CriticalMass program.

CriticalMass awards only “Clean Energy Technologies” or “Climatetech”

For the purposes of this RFP, the term “Climatetech” shall mean:

- “...advanced and applied technologies that significantly reduce or eliminate the use of energy from non-renewable sources including, but not limited to: (i) energy efficiency; (ii) demand response; (iii) energy conservation; or (iv) technologies powered, in whole or in part, by the sun, wind, water, geothermal energy, including networked geothermal and deep geothermal energy, hydrogen produced by non-fossil fuel sources and methods, alcohol, fuel cells, fusion energy, nuclear fission or any other renewable, nondepletable or recyclable fuel...”
- ...advanced and applied research in new clean energy technologies including: (i) solar photovoltaic; (ii) solar thermal; (iii) wind power; (iv) geothermal energy, including networked geothermal and deep geothermal energy; (v) wave and tidal energy; (vi) advanced hydropower; (vii) energy transmission and distribution; (viii) energy storage; (ix) renewable biofuels, including ethanol, biodiesel and advanced biofuels; (x) renewable, biodegradable chemicals; (xi) advanced thermal-to-energy conversion; (xii) fusion energy; (xiii) hydrogen produced by non-fossil fuel sources and methods; (xiv) carbon capture and sequestration; (xv) energy monitoring; (xvi) green building materials; (xvii) energy efficiency; (xviii) energy-efficient lighting; (xix) gasification and conversion of gas to liquid fuels; (xx) industrial energy efficiency; (xxi) demand-side management; and (xxii) fuel cells; and (xxiv) nuclear fission; provided, however, that "clean energy research" shall not include advanced and applied research in coal, oil, natural gas...
- ...and any other advanced and applied technologies that contribute to the decarbonization of the economy, reduce and mitigate greenhouse gas emissions or mitigate the impact of climate change through adaptation, resiliency, and environmental sustainability”
- (See M.G.L. c. 23J § 1 as amended pursuant [Chapter 179 of the Acts of 2022 “An Act Driving Clean Energy and Offshore Wind”](#) and as further amended pursuant “[An Act Relative to Strengthening Massachusetts’ Economic Leadership](#)” and “[An Act Promoting a Clean Energy Grid, Advancing Equity and Protecting Ratepayers](#)”)
- Please note that technologies related to coal, oil, woody biomass, natural gas (except where used in fuel cells) shall not be considered Climatetech for purposes of this RFP.

For the purposes of this RFP, the following are defined here and will be used going forward:

1. Project Partner ("Project Partner") – Project Partners will consist of corporates, universities, and/or municipalities, utilities, non-profits, or other entities that can provide a deployment site. These entities will be integral partners in the awarded startup-led projects and will provide deployment sites, and other resources that may include additional funding. A list of Project Partners can be found in Appendix A. Alternatively, Applicants can apply to the program with Project Partner entities that are not included in Appendix A.
 - a. Please note that the Project Partners listed in Appendix A have been recruited and onboarded by MassCEC and have signed an MOU agreeing to be a Project Partner for CriticalMass. However, MassCEC will not be involved with any contract negotiations between a Project Partner and Grantee. MassCEC makes no representations or warranties in regard to, and assumes no liability arising out of the relationship between a Project Partner and Grantee. All partnerships between a Project Partner and Grantee are undertaken at Grantee's own risk.
2. Growth-Stage Startup ("Startup") – the Startup's technology will be at TRL8+ with the intention of the proposed project being the first commercial deployment before commercialization.
3. Support Advisor ("Support Advisor") – a third-party entity that facilitates the building and maintenance of relationships between Project Partners and Startups and assists with Startup support throughout the projects. This support may include identifying federal grant opportunities and implementation of the deployed technology. For the purpose of this RFP, The Alliance for Climate Transition ("ACT") will be service as the Support Advisor.
4. Expert in Residence ("EIR"): EIRs might include, but are not limited to, people with the following areas of expertise: project financing, investment/equity/debt, legal/regulatory/permitting, human resources, negotiation tactics/customer acquisition, manufacturing/production, among others. ACT will provide Startup awardees access to EIRs.
5. Warrant Coverage ("Warrant Coverage"): MassCEC will be obtaining 10% of the grant amount as Warrant Coverage. This will give MassCEC the right, but not the obligation, to purchase a specified number of the startup's shares at a fixed price in the future, should MassCEC choose to exercise the warrant. Warrant Coverage terms can be found in Section VI.
6. Public Benefit Site ("Public Benefit Site"): a Public Benefit Site is defined as a deployment project that is physically located in a MA-based Gateway City¹ or Environmental Justice community², or is in an underserved geographic region (i.e., such as Western Massachusetts, the Berkshires, or Cape Cod).
7. Lead Applicant ("Lead Applicant"): A Growth-Stage Startup seeking to deploy its proprietary Climatetech in Massachusetts, that meets the definition of a Small Business, as outlined by the United States Small Business Administration's ("Table of Small Business Size Standards"). Startups may be based anywhere in the United States.

¹ <https://www.mass.gov/doc/gatewaycitiesdocx/download>

² <https://www.mass.gov/info-details/environmental-justice-populations-in-massachusetts#interactive-map->

8. Grantee (“Grantee”): A Growth-Stage Startup that is awarded a CriticalMass grant.

CriticalMass Program Summary

CriticalMass provides grant funding of up to One Million Dollars (\$1,000,000) per project and provides successful applicants with partnership-focused support (with entities such as corporates, municipalities, universities, non-profit organizations, investors, state agencies, regulators, policymakers, and utilities) to scale and deploy novel clean energy and climate technologies that demonstrate strong potential for commercial viability and market penetration while providing significant measurable clean energy and/or climate benefits. In order to align incentives and ensure that the Commonwealth has a stake in projects’ success, MassCEC requires warrant coverage for 10% of the grant amount.³

This project should be the first commercial deployment before launch; at least one (1) successful pilot project in an operational environment must have been completed prior to applying to this program.

Proposed projects must include a Massachusetts-based project site, with the majority of the project being completed at this site.⁴ The Startup, as defined above, can be located anywhere in the US.

Adoption Readiness Level (ARL) Framework⁵ ARL is a framework used to assess the commercialization risks associated with a technology as it crosses the Research, Development, Demonstration and Deployment (“RDD&D”) continuum to reach successful commercialization. While not an eligibility requirement, Applicants that are best suited for CriticalMass are expected to be at a “High Readiness Level” for this program. Applicant use of the ARL tool will help both the Applicants and MassCEC better understand the market and commercial risks associated with the proposed technology. This assessment may help Applicants identify critical barriers in their technology’s pathway to market and provide insights into timing and actions needed to address these barriers.

CriticalMass funding may be used to support both the scaling and deployment of any technology that meets MassCEC’s definition of Climatetech. Particular emphasis will be placed on identifying projects in one or more of the following areas:

1. **Energy & Electricity** – increasing renewable energy generation and modernizing the grid
2. **Transportation** – transitioning to zero-emissions vehicles, enhancing public transit, and promoting alternative fuel options

³ This will give MassCEC the right, but not the obligation, to purchase a specified number of the startup’s shares at a fixed price in the future, if MassCEC chooses to exercise the warrant. More Terms of the warrant coverage can be found in section VII.

⁴ Examples are included, but not limited to 1) 51% of the Grantee’s full time employee operations are at the Massachusetts-based project sites during the course of the project or 2) at least half of the proposed milestones are completed in Massachusetts during the course of the project.

⁵ <https://www.energy.gov/technologycommercialization/adoption-readiness-levels-arl-framework>

3. **Manufacturing & Industry** – Adopting carbon reducing technologies and processes, sustainable production practices through a circular economy, and carbon capture related technologies
4. **Agriculture & Water** – adopting sustainable farming and forest management practices and leveraging nature-based solutions
5. **Buildings** – improving energy and heating efficiency, transitioning to renewable sources, and implementing sustainable construction practices/materials
6. **Resilience and Adaptation** – implementing climate-smart planning, strengthening infrastructure, and promoting nature-based solutions to reduce vulnerability to climate change

In addition to grant funding, the Program provides a third-party Support Service Advisor, [ACT](#), to all Grantees. ACT will meet regularly with Grantees to discuss and resolve project-related barriers, support Grantees as they navigate their partnership and project, review project progress, and assist with identifying strategic partners.

Successful applicants will propose projects that address important climate and energy challenges and help to grow the Commonwealth’s clean energy and Climatetech economy.

This Program invites participation in a two (2) part application process:

1. Applicants must first submit an application that consists of a completed CriticalMass Application Form and other required documentation (the “[Application Package](#)”) that meets the Eligibility Criteria outlined in Section III.
2. In the event that the Applicant is selected as a finalist, the applicant will be invited to pitch their proposal to a panel of Program judges.

II. ABOUT MASSCEC

The Massachusetts Clean Energy Center (“[MassCEC](#)”) is a state economic development agency dedicated to accelerating the growth of the clean energy sector across the Commonwealth to spur job creation, deliver statewide environmental benefits and to secure long-term economic growth for the people of Massachusetts. MassCEC works to increase the adoption of clean energy while driving down costs and delivering financial, environmental, and economic development benefits to energy users and utility customers across the state.

MassCEC’s mission is to accelerate the clean energy and climate solution innovation that is critical to meeting the Commonwealth’s climate goals, advancing Massachusetts’ position as an international climate leader while growing the state’s clean energy economy. MassCEC is committed to creating a diverse, equitable, and inclusive organization where everyone is welcomed, supported, respected, and valued. We are committed to incorporating principles of diversity, equity, inclusion, and environmental justice in all aspects of our work in order to promote the equitable distribution of the health and economic benefits of clean energy and support a diverse and inclusive clean energy industry. MassCEC strives to lead and innovate in

equitable clean energy and climate solutions.

III. ELIGIBILITY

Applicant & Project:

Eligibility criteria for applicant teams and project formation:

- **The Lead Applicant**
 - Lead Applicants who will be the best fit will be those who have raised at least \$4M but no more than \$25M and have between 10-50 employees⁶.
 - Lead Applicants will contract directly with MassCEC, receive all of the grant funds (if awarded), and be responsible for completing deliverables under the grant agreement.
 - Lead Applicants are expected to form teams comprised of at least two (2) entities (the “Applicant Team”) who will work together on the project.
- **Applicant Teams** must include one (1) or more Project Partners, who will provide a host site or sites for the proposed project.
 - Project Partners may be those included in Appendix A, or if the Lead Applicant has its own partner, they may apply with that entity. **Please refer to Appendix A for a list of Project Partner opportunities.**
 - Project Partners should be potential clients, customers or organizations who are able to provide a site for the deployment project and are the intended customer/commercialization partner for the technology.
 - Project Partners will not receive CriticalMass funds, and the funding will be provided solely to the Lead Applicant.
 - Applicant Teams may also include additional technology providers; service providers or subcontractors; and other team members who are able to provide necessary funding and/or expertise.
 - Project Partners are permitted to serve as a partner on more than one application to the Program.
- **Cost share**
 - Lead Applicants must be able to provide a cost share amount of at least 25% of the grant (please refer to Section VI for more information).
- **Technology Readiness Level (TRL)**

⁶ These parameters are “best fit”; however, applicants that fall outside of this range are still encouraged to apply and describe their need for this program in their proposal.

- The Climatetech must be at a TRL 8+⁷
- Eligible applicants must have already completed at least one, if not multiple, successful prior pilot projects. Applicants will be expected to discuss the results of these prior pilots in the application form. This program is not intended for early pilots; it is intended for commercial scale-up activities.

Applicants may not submit CriticalMass Program applications for the same idea or concept more than three (3) times, unless there has been a substantial change in the technology or market which advances the case for an award.

Applicants may not submit projects for technologies that are not proprietary to the Applicant. In addition, technologies that are widely deployed or commercially available in other markets (including international markets) will not be considered eligible for funding, unless there is a substantial difference in the Massachusetts market which would require unique testing, validation, or changes to the technology in order to demonstrate the product's commercial viability in the Commonwealth.

IV. TIMELINE

Application Packages are anticipated to be accepted on an annual basis.

Applicants can expect the following **approximate** schedule, subject to adjustment at MassCEC's discretion:

Process Step	
CriticalMass Webinar	July 23, 2025
Questions to CriticalMass Team Due	July 30, 2025
Responses to Questions Posted	August 1, 2025
Concept Papers to Project Partners ⁸ Due	August 20, 2025
Discussions Between Applicants and Project Partners to Decide Upon Full Application Submissions;	August 20, 2025 – September 29, 2025
Application Packages to MassCEC Due	September 29, 2025
Application Packages Undergo Technical and Programmatic Review; Applicants are Notified of Finalist Status	Week of October 20, 2025
Finalists Pitch to Panel of Judges	Week of November 10, 2025

⁷ Please [use this calculator](#) and [this document](#) to conduct a TRL self-assessment and confirm program fit. A technology that has not achieved at least TRL 8 will not be considered eligible. Such technologies may be eligible for MassCEC's [InnovateMass program](#).

⁸ See Appendix for contact info at each respective Project Partner

Final Award Decisions are Made	December 2025
Contracting Concludes; Projects Begin	February 2026
Post Contracting Activities:	
Awardees Meet ACT & MassCEC to Discuss Project Progress, Logistics, Relationship with Project Partner, etc.	Monthly for the duration of the project
Attend Networking Event with Project Partners, Potential Investors, Industry Stakeholders	Annually for the duration of the project
Attend Grant Agency Webinars	2-4 times throughout the duration of the project
Attend Meetings with MassCEC Technology Experts	1-2 times throughout the duration of the project
Attend Meetings with EIRs	Up to 4 times throughout the duration of the project

Grantees will complete work (approximately 2-3 years after project commencement).

Please note: If awarded a CriticalMass award, the company and award will be disclosed to the public. MassCEC staff oversee the award-making process and approve the final recommendations of the Program judges. MassCEC determinations are final and not subject to discussion. **In addition, MassCEC reserves the right to reject an applicant if the applicant violates any criteria in the application guidelines or does not provide sufficient information in the proposal.**

V. HOW TO APPLY

Applicants will submit a concept paper to Project Partners from Appendix A with which they are interested in working for their CriticalMass project. Concept papers are due to Project Partners no later than **August 20, 2025**.

Applicants are permitted to submit an Application Package with a Project Partner that is not included in the list that MassCEC provides in Appendix A. In this case, Applicants are not required to submit a Concept Paper to their intended Project Partners and only needs to submit an Application Package to MassCEC by September 29th, as noted in the table above. In this situation, MassCEC and ACT will not play a role in facilitating the relationship between and Applicant and its Project Partner during the Concept Paper phase, however MassCEC and ACT will remain as a resource to such Applicants throughout the post-award process, as described in Section I above.

The Lead Applicant (Growth-Stage Startup) will submit the Application Package prepared by the Applicant Team.

Applicants may submit up to two applications with different Project Partners per round.

It is the sole responsibility of the Lead Applicant (Growth-Stage Startup) to ensure that the Application Package is complete and properly submitted. At its discretion, MassCEC may request supplemental materials from the Lead Applicant and such materials must be submitted within a timely and clearly communicated manner or the Application may be rejected without further review.

All of the following documents must be included in the Application Package:

- **CriticalMass Application Form and Signature Acceptance Form** (required template provided [here](#))
- **Attachment B: Project Workplan**
Using the Project Workplan Required Template (Attachment B), the Lead Applicant must:
 - Briefly describe the key tasks and milestones, responsible parties, and timeline of the proposed project, including a proposed schedule for monitoring to obtain the required performance data. A revised and approved Project Workplan will serve as the first deliverable eligible for grant funding.
 - Include an estimated budget, including total cost, total grant request, and total cost share (minimum twenty-five percent [25%] of grant request).
- **Attachment C: Letters of Commitment from at least one Project Partner outlining their role in the project**
 - There must be at least one (1) Letter of Commitment submitted from at least one (1) Project Partner. A signed Letter of Commitment shall indicate that, if awarded, the Applicant Team has agreed to work together to implement and manage the proposed project. One or more letters must be provided such that the letters include signatures from each participating organization, including the entity in control of the Project Site(s), and must lay out each team member's roles and responsibilities.
- **Attachment D: Completed [TRL Calculator](#)**
- **Attachment E: Completed copy of the [Adoption Readiness Level Assessment](#)**
- **Additional Required Attachments:**
 - Lead Applicant executive positions (CEO, Co-Founder) Resumes
 - 1-2 page case studies describing previous pilot projects, and/or a Letter of Confirmation from prior partners or press release about prior pilot/s.

Optional attachment

- **[30-second self-assessment](#) as part of the Certification Program for the [Supplier Diversity Office of Massachusetts \(SDO\)](#) (optional).**
 - MassCEC is interested in understanding the composition of its applicant and Grantee pool in the CriticalMass Program. Applicants who choose to complete the SDO self-assessment tool are encouraged to provide a screenshot or printout of the results page with their application packages to support MassCEC's effort to collect data

regarding the applicant and Grantee pool for the CriticalMass Program. While this is not currently a Program requirement, applicant submission of the SDO questionnaire will help MassCEC better understand the composition of our applicant base today and may influence the selection of projects in the future.

- While MassCEC encourages its Program Applicants to pursue certification if eligible, MassCEC recognizes that venture-backed startups may be ineligible for certification. Because MassCEC is interested in the results of the self-assessment tool primarily for informational purposes, MassCEC requests that Applicants respond to the questions in the tool based only on full-time employees with equity stakes, rather than considering the equity owned by investors.

The completed Application Package should be submitted to criticalmass@masscec.com in a single PDF file with an additional copy of the Project Workplan in a separate Excel file. ("CriticalMass Application – [Company Name]") must appear in the e-mail subject line.

Do not disclose any proprietary information in your proposal. Applicants will receive a reply e-mail as confirmation for receipt of a completed proposal.

Please disclose to MassCEC in your application any use of, or planned use of, generative AI either in responding to this RFP or in carrying out the scope of work required for the project or services, if awarded. MassCEC reserves the right to review submitted materials to determine whether generative AI was likely used, including using detection tools, linguistic analysis, or verification methods as appropriate. MassCEC further reserves the right to accept or reject any proposed uses of generative AI, or request supplemental non-AI generative materials from applicants, or cancel or rescind an award where generative AI has been used without MassCEC approval.

EVALUATION CRITERIA

Successful applicants will be evaluated based on the criteria outlined below, and at minimum, demonstrate that:

- Technology featured in the proposed project has strong potential to be the final step the Startup needs in order to fully commercialize/deploy its Climatetech.
- Technology featured in the proposed project is positioned for large-scale deployment and has completed at least one prior pilot project.
- Proposed project will enable a Startup (as defined in Section I) to exhibit the potential of its value proposition to a variety of stakeholder groups including prospective customers and investors.
- Required Cost Share has been secured (as defined in Section VI).
- Proposed project addresses a critical energy, or climate change-related challenge, and reduces or prevents greenhouse gas (GHG) emissions and/or these climate change related challenges.
- The proposed project is viable and feasible within the proposed budget and the timeframe allowed by the Program.

The reviewers will be asked to consider the following while reviewing applications. These criteria will be totaled and averaged:

- **Technical merit (5 points):** The proposed technology is at the TRL 8+stage, and this is justified by appropriate validation. The technology is innovative and viable and will be solving an industry problem or opportunity area. The proposal will indicate an understanding of existing alternative solutions and demonstrate that the technology has potential to be superior.
- **Commercialization and Deployment Potential (5 points):** The market is large and/or experiencing strong, sustainable growth with rapid adoption of technologies. Identification of a compelling value proposition for this technology and a viable sales model. Understanding of the policy and regulatory environment and its impacts on the commercialization potential of the technology. Identification of a viable go-to-market strategy and a sustainable business model. The proposal will show results from prior successful pilot project and how this commercial pilot will expand upon the results of the previous pilots and bridge this technology to commercialization and deployment. This proposal will show customer interest thus far and how this specific project will result in further commercialization efforts.
- **Clean Energy and Climate Impact and Project Benefits (5 points):** if successful, the technology demonstrates the potential for a transformational clean energy impact, with significant improvement over current state-of-the-art. The technology could mitigate a substantial amount of fossil-fuel driven greenhouse gas emissions (tens of millions of tons annually) and/or significantly lessen the impact climate change will have, at a minimum, at a regional (Massachusetts/New England) scale, through adaptation, resiliency, and environmental sustainability. The deployment project offers economic development benefits (i.e., jobs, long-term infrastructure, etc.) to the Commonwealth - this might include the Lead Applicant growing in the Commonwealth and/or the proposed technology having significant impact on the Commonwealth (such as delivering cost benefits and ratepayer savings to Massachusetts customers).
- **Applicant Team (5 points):** Lead applicant has relevant skills, qualifications, and experience to lead execution of the project. Other Applicant Team members have relevant skills, qualifications, and experience to support successful completion of the project. The team shows they are knowledgeable of the steps they need to take to commercialize the technology.
- **Project Workplan (5 points):** Project Workplan includes a description of how the Applicant Team intends to demonstrate successful completion of milestones under the CriticalMass Program. A strong Project Workplan will be relevant to the goals of the Program, and achievable within a 36-month timeframe and will include a description of how necessary resources will be mobilized and how the work can be accomplished according to the proposed timeline. The Project Workplan will include details on the installation plan and identify a clear and thorough monitoring and evaluation plan. The Project Workplan will include how grant funds and cost share will be allocated within the proposed project budget.

- **Regional Diversity:** ⁹ Regional diversity can merit up to an extra 2 points, additional to the total score (and then averaged).
 - +0 = regional diversity is not applicable.
 - +1 = Applicant company headquarters **or** project site is in a Public Benefit Site, as defined in Section I.
 - +2 = Applicant company headquarters **and** project site is in a Public Benefit Site, as defined in Section I.

All applications will be judged on the project’s estimated climate and economic benefits generally as well as to the Commonwealth of Massachusetts.

Software proposals are eligible but should endeavor to highlight the novel innovation at the core of the proposed technology and ensure the grant request is commensurate with the capital purchases needed for a deployment project as defined in this RFP.

MassCEC reserves the right to disqualify any submission at its sole discretion. Proposals that are not received by the close of the application period will not be considered. To view a complete list of MassCEC startup funding programs, please visit <https://www.masscec.com/funding>

VI. BUDGET

CriticalMass awards of up to One Million Dollars (\$1,000,000) are paid to Grantees on a milestone and deliverable basis. Milestones and deliverables are to be memorialized, with target completion dates and scopes of work associated with each milestone, in a detailed workplan (the “Project Workplan”); see template in Attachment B).

Project Workplan details:

- There should be between five (5) and eight (8) milestones, no more than eight (8).
- The first milestone and associated deliverable will be the full execution of a contract between Lead Applicant and MassCEC, including the completion of an updated and more detailed Project Workplan. Grantees are eligible for a grant installment of up to twenty percent (20%) of their total grant for this first milestone.
- The final milestone and deliverable for all grantees will be the completion of a final report and virtual presentation to MassCEC. Final report topics may include but are not limited to the project’s overall execution, findings, challenges, and solutions, and intended next steps. No less than twenty percent (20%) of the total grant amount will be allocated to this final milestone.

With each milestone submission, Grantees shall submit a Metrics Collection form to track

⁹ MassCEC will review these criteria and determine regional diversity points based on the startup application.

improvement over the life of the CriticalMass project (such as jobs supported, TRL, etc.). MassCEC will provide a template and Grantee and MassCEC will discuss metrics reporting during contracting.

This grant includes required Warrant Coverage, which will ensure that the Commonwealth has a stake in projects' success. The terms of the warrant coverage (which can be seen in Attachment G) will include:

- MassCEC obtaining 10% of the grant amount in warrants for common stock.
- The Exercise Price will be determined by the Grantee's price per share in its most recent equity financing or 409A valuation. The number of shares will be determined by the following equation:
 - $(\text{Grant amount} \times .10) / \text{Exercise Price}$
- The Term of the Warrant Agreement will be 7 years from the date of execution.
- If awarded, Grantee will execute a Grant Agreement and Warrant Coverage Agreement, with samples of both included as Attachments in this RFP for reference.

Grant funds will not be disbursed until initiation of the project, including the final approval of the proposed Project Workplan by MassCEC staff and the execution of a grant agreement. Grantees will be notified in writing when each of these steps is completed. The grant agreement will require the Lead Applicant to obtain MassCEC approval for changes or revisions to the Project Workplan or the budget.

Applicants should be aware that, if awarded, the award letter will stipulate that if after a period of six (6) months from the date of the award notification, a Grantee has not completed an approved Project Workplan and a signed grant agreement, the award may be rescinded at MassCEC's sole discretion. This does not preclude the Grantee from reapplying to the Program in a future funding round. If the project and final project milestones have not been completed thirty-six (36) months from the Project Workplan approval date, MassCEC reserves the right to reduce or rescind any remaining award amounts at its sole discretion.

ELIGIBLE BUDGET ITEMS

It is MassCEC's policy not to compensate for general administration, overhead, or general-purpose expenses including general purpose materials or facilities. Budget items must be:

- Uniquely associated with the proposed project;
- Justified as to why it is a necessary and reasonable part of the project; and
- Incurred after the execution of a grant agreement with MassCEC.

All budget items generally fall into one (1) of three (3) categories: 1) eligible cash expenses; 2) eligible cost share expenses; or 3) other budget items ineligible for grant funding or cost share. It must be clear why each budget item is necessary for the project.

The following items are expenses that *may be included* in the project budget:

- Materials, Equipment, Facilities and Supplies: The equipment may be new or used, and must be purchased after the effective date of the award. May include parts and equipment supplied to selected applicants as part of a lump-sum contract.
- Transport (*i.e.*, transporting a key piece of equipment): The proposal should document why transportation is required for the project.
- Travel: Allowable for consultants retained by Applicant Teams as a subcontractor only. Subcontractor travel should be included in overall subcontractor hourly rates when reported as a deliverable. Travel is not an eligible grant expense, however, grantees can attribute travel expenses to cash cost share contribution.
- Direct labor directly related to the CriticalMass project: For each employee, list the title, anticipated number of hours worked and hourly rate, if applicable. Identify the basis for the pay rate used (*e.g.*, actual salary, composite rate, labor distribution report, technical estimate, state civil service rates, etc.). If composite rates are being proposed for a particular position or group category, please state the rate basis as a composite rate. If new hires are proposed, please explain the basis for how you determined their hourly rate. If applicants are selected for award negotiations, they may be required to provide payroll information or a certification statement to verify that the proposed rates are the actual rates being paid to the proposed individuals. If direct is included, only gross wages, employer-contributed Federal Insurance Contributions Act taxes, state unemployment insurance, and Federal Unemployment Tax Act taxes may be included for such labor; fringe benefits on direct labor or shall not be included.
- Subcontractor (including Project Partner or host) labor directly related to the CriticalMass project: MassCEC must approve the use of any subcontractor labor in writing (via email) prior to Grantee using MassCEC funds to pay for the expenses associated with such subcontractor labor.

Applicants are encouraged to consider MassCEC's [Clean Energy Internship Program](#) to find additional team members to assist with the project.

COST SHARE REQUIREMENT

Grantees must provide cost share equivalent to at least twenty-five percent (25%) of the grant amount awarded.

At least twenty percent (20%) of Grantees' *required* cost share must consist of cash contributions as defined below. However, applications may include additional cost share of any kind (cash or in kind) over and above the minimum requirement.

All cost share must be used directly for the project during the Grantee's contract period.

Cash cost share is an actual cash payment made by the Lead Applicant for costs incurred and paid

for during the project. Cash cost share sources include cash contributed by the Lead Applicant, documented grants from other parties (such as other state or federal agencies or charitable organizations), or contributions of equipment, materials, or subcontractor labor. Examples of cash cost share payments for the purposes of this RFP include, but are not limited to:

- Personnel costs
- Supply and equipment costs
- Indirect costs, or other costs

Cash cost share contributed by members of the Applicant Team and the Project Partner apart from the Lead Applicant may be provided in the form of a waived fee or a discount on a marketed product; however, such contributions must be documentable in the form of a project deliverable.

In-kind cost share may include direct labor of project team members at reasonable rates as well as services and materials used for the project; for example, use of equipment provided by a Project Partner.

INELIGIBLE BUDGET ITEMS

The following items should not be included in the project budget:

- Overhead (including, but not limited to, telephone, electricity, rent for office/lab space, administrative expenses);
- Miscellaneous office equipment and supplies, equipment and supply costs associated with general business operations, or equipment and supplies not related to the CriticalMass project;
- Postage (including packaging and shipping materials);
- Printing; and
- Fringe benefits (including but not limited to health insurance, 401K plans or similar or other staff benefits).

VII. CONTACT INFORMATION

All questions regarding the CriticalMass Program and this RFP should be directed to: criticalmass@masscec.com.

VIII. GENERAL REQUEST FOR PROPOSALS CONDITIONS

NOTICE OF PUBLIC DISCLOSURE

As a public entity, MassCEC is subject to Massachusetts' Public Records Law, codified at Chapter 66 of the Massachusetts General Laws. Thus, any documentary material, data, or other information received by MassCEC from an applicant is a public record subject to disclosure. An

exemption to the Public Records Law may apply to certain records, such as materials that fall under certain statutory or common law exemptions, including the limited exemption set forth in M.G.L. c. 23J, Section 2(k) regarding trade secrets, or commercial or financial information regarding the operation of any business conducted by an applicant for any form of assistance from MassCEC. Applicants may not send MassCEC any confidential or sensitive information in response to this RFP; if MassCEC receives any confidential or sensitive information in response to this RFP, then MassCEC shall, in its sole discretion, determine whether any particular document, material, data, or other information is exempt from or subject to public disclosure.

Applicants acknowledge and agree that they shall not send MassCEC any confidential or sensitive information in response to this RFP. If confidential information is submitted as part of the application and not clearly marked as confidential, such information may be made publicly available by MassCEC without further notice to the Applicant. **Please note:** consultant rate sheets will be considered a public record subject to disclosure.

DISCLAIMER & WAIVER AUTHORITY

This RFP does not commit MassCEC to award any funds, pay any costs incurred in preparing an application, or procure or contract for services or supplies. MassCEC reserves the right to accept or reject any or all applications received, waive minor irregularities in submittal requirements, modify the anticipated timeline, request modification of an application, negotiate with all qualified applicants, cancel or modify the RFP in part or in its entirety, or change the application guidelines, when in its best interests.

This RFP has been distributed electronically using MassCEC's website. It is the responsibility of applicants to check the website for any addenda or modifications to an RFP to which they intend to respond. MassCEC accepts no liability and will provide no accommodation to applicants who submit an application based on an out-of-date RFP document.

CONTRACT REQUIREMENTS

Upon MassCEC's authorization to proceed with the proposal, MassCEC and the Lead Applicant will execute a contract, substantially in the form of the template Grant Agreement and Warrant Agreement attached hereto as Attachment C, which will set forth the respective roles and responsibilities of the parties.

The Lead Applicant will also contract with the Project Partner independently from MassCEC's contract with the Lead Applicant.

Upon successful contract execution, all Grantees shall be required to complete the following, in addition to the milestones and deliverables that will be mutually agreed upon before the project start date:

- A submission of a metrics collection template at the time of each invoice.
 - For the second metrics collection, Grantees shall be required to complete an Emissions Reduction Potential analysis (“ERP”). Guidance on how to complete the ERP can be found [here](#). Completion of an ERP is not required at time of application.
- A site visit to the project site.
 - MassCEC staff will accompany Grantee on a site visit to see the deployment project.
- A final report and presentation to MassCEC staff summarizing the findings of the project.
- If the Applicant is awarded a grant under the Program, the Applicant understands that it must notify MassCEC of all changes (“Changes”) to its articles of incorporation, articles of organization, annual filings with the Secretary of State’s Office, or any similar organizing documents (“Organizing Documents”), including, but not limited to, changes to the Grantee’s structure, officers or directors, legal name, or registered agent, as soon as possible. MassCEC may request substantiation of all updated Organizing Documents, written consents or releases from co-founders, managers, or other key personnel of Grantee, explanation of accounting of any Grant dollars received to date, and other documentation as may be reasonably requested on a case-by-case basis. In the event that it is unclear who has authority to communicate with MassCEC on behalf of the Grantee, including the Project Manager identified by Grantee, MassCEC may in its sole discretion suspend payments under this Agreement until there is a clear authorized representative of the Grantee.

INTERACTIONS WITH OTHER MASSCEC PROGRAMS

Please note that although applicants are encouraged to apply to multiple MassCEC grant award programs over their technology development lifecycle, MassCEC programs are designed such that each grant award program generally serves a company at a different stage of technology development. Grantee may only have one ongoing project at a time through the Tech to Market grant programs, and Applicants must be close to successful completion of other MassCEC grant projects before applying to CriticalMass. Applicants should reach out to MassCEC staff prior to applying if they are unsure of which program is the best fit.

MassCEC has no restrictions against considering applications for the same project in multiple programs but will only award a project under at most one (1) program. Applicants are encouraged to consider both programmatic fit and timeline considerations when determining which program(s) to apply under.

If the applicant is a previous Grantee of another MassCEC program, such as Catalyst, AmplifyMass, or InnovateMass it is still eligible to apply, provided that the scope of work being proposed under the CriticalMass project is unique and does not replicate work that MassCEC

has previously funded. However, MassCEC reserves the right to disqualify applications which have not been compliant with previous MassCEC awards.

GRANT AGREEMENT

This Grant Agreement (the “Agreement”) is effective as of [Date – Month DD, YYYY] (the “Effective Date”) by and between the **Massachusetts Clean Energy Technology Center** (“MassCEC”) an independent public instrumentality of the Commonwealth of Massachusetts with a principal office and place of business at 294 Washington Street, Suite 1150, Boston, MA 02108, and [Grantee Name] with a principal office and place of business at [Grantee Address] (“Grantee”). Each of MassCEC and Grantee are at times referred to in this Agreement as a “Party,” and together the “Parties”.

WHEREAS, the scaling and deployment of novel clean energy and climate technologies requires successful later stage demonstration projects to prove the viability of the technology in order to make it ready for commercialization;

WHEREAS, MassCEC created the CriticalMass program (the “Program”) to help bring to market new technologies or novel combinations of existing technologies, finding demonstration projects that address the energy and climate challenges facing the Commonwealth;

WHEREAS, pursuant to this Agreement, MassCEC will provide Grantee a grant to demonstrate [description of the Project] (the “Project”) [with CRITICAL PARTNERS] (“Critical Partner”) to [Describe nature of involvement with Critical Partners]; and

WHEREAS, [Critical Partner] is a [Nature of Critical Partner], with a principal office and place of business at [Critical Partner’s Address] and will [nature of Critical Partner’s contribution to Project].

WHEREAS, [Grantee Name] and [Critical Partner] will enter into an additional Memorandum of Understanding to solidify the relationship between both parties.

WHEREAS, MassCEC is issuing warrant coverage on this Grant, with the warrant coverage being ten percent (10%) of the grant; and

WHEREAS, both parties have agreed to execute a Warrant Agreement, as reflected in Attachment 5.

NOW, THEREFORE, in consideration of the recitals, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, MassCEC and Grantee agree as follows:

1. Performance of the Work

Grantee shall conduct the Project and provide the deliverables (the “Deliverables”) described in the project workplan (the “Project Workplan”), which shall be developed before the execution of this Agreement by Grantee in collaboration with a Program support service advisor (the “Support Service Advisor”) retained by MassCEC and subject to final approval in writing (email acceptable) by the MassCEC Project Manager(s) designated in Section 4(a) below.

- a. The Project Workplan shall be attached to and incorporated into this Agreement as Attachment 1. MassCEC shall have the right at its sole discretion to allow for additional time for the completion of Deliverables in the Work Plan without need to amend this Agreement. If Grantee cannot satisfy a completion date, it shall seek MassCEC’s prior written approval, email acceptable, of a later completion date and provide reasoning for its request. MassCEC shall approve or deny Grantee’s request, email acceptable, within a reasonable time period.

- b. Grantee is solely responsible for all Project decisions, the preparation of all plans and specifications, and completing the Project in accordance with the Project Workplan. Grantee will, for the full duration of the Agreement, ensure that the Project qualifies as “clean energy” or “clean energy research” as such terms are defined in M.G.L. c. 23J, Section 1 (collectively, the “Clean Energy Project Qualifications”).
- c. Grantee is solely responsible for selecting and entering into a written contract (or contracts) with contractors as necessary to provide the Deliverables and complete the Scope of Work, and for ensuring that the contractors Grantee retains comply with all applicable provisions of this Agreement. Grantee acknowledges that MassCEC shall have no responsibility for managing such contractors or the relationship between Grantee and its contractors. Further, Grantee shall indemnify and hold harmless MassCEC from any Damages (as defined in Section 14) associated with any disputes occurring between Grantee and its contractors arising from or in relation to the Project.
- d. Grantee acknowledges that MassCEC will have no responsibility for management of the Project, including obtaining all local, state, and federal permits, as applicable.
- e. Grantee shall be responsible for completing all required steps to receive funding from any other entity besides MassCEC.

2. Term

The term of this Agreement shall commence on the Effective Date, and shall expire on [Date – Month DD, YYYY] (the “Term”) unless otherwise terminated in accordance with Section 8 herein.

3. Grant Amount; Payment; Rescission

- a. *Grant Amount.* In consideration of the various obligations to be undertaken by Grantee pursuant to this Agreement, MassCEC agrees to provide Grantee with funds in an amount not to exceed [write out amount] Dollars (\$number) (the “Grant”). The Parties acknowledge and agree that this is a maximum authorization, and MassCEC is under no obligation to transfer the full amount to Grantee, or any amount, in the event Grantee does not satisfy the requirements under this Agreement, including, but not limited to, the development of the finalized and approved Project Workplan. Grantee acknowledges and agrees that this receipt of the Grant, or any portion of this Grant, does not create any rights of preferences to receive subsequent funding from MassCEC. In no event shall the Grant exceed the amount specified in this section.
- b. *Payment.* MassCEC will pay Grant funds to Grantee in installments in accordance with the Project Workplan in Attachment 1 (each installment a “Grant Installment”), on a milestone and deliverable reimbursement basis. Grantee shall submit an invoice by email to MassCEC’s Project Managers listed in Section 4(a). Grantee shall submit each invoice accompanied by a completed and signed Cost Share and Expenditure Certification (Attachment 2) that certifies that the Cost Share requirement has been met, based upon Allowable Expenses incurred and payment made by Grantee. MassCEC shall pay each Grant Installment within forty-five (45) days of approval of the corresponding invoice. Grantee shall enroll in MassCEC’s Automated Clearinghouse (“ACH”) system to receive payment by completing the ACH enrollment form attached to this Agreement in Attachment [insert #] and submitting it to AP@masscec.com at or before the submission of their first invoice. Any changes to the information in the ACH form must be submitted to AP@masscec.com through an updated ACH enrollment form within thirty (30) days of any such change.

- c. *Preferred Stock Purchase Warrant.* The Parties mutually agree to the Terms and Conditions in Attachment 5 related to the Preferred Stock Purchase Warrant.
- d. *Rescission.* If Grantee materially breaches any term of the Agreement, in addition to the ability to terminate as set forth in Section 8(a), MassCEC shall have the right to rescind Grant payments; provided, however, that Grantee shall have the opportunity to cure such breach within thirty (30) days of the breach and if Grantee does so, MassCEC shall not exercise the right to rescind Grant payments. If Grantee becomes insolvent, makes an assignment of rights or property for the benefit of creditors, or files for or has bankruptcy proceedings instituted against it under the federal bankruptcy law of the United States, or if MassCEC reasonably believes that such an event is imminent, MassCEC, acting in its sole discretion, may rescind the remaining undisbursed portion of the Grant. If, after a period of six (6) months from the date of the award notification, Grantee has not completed an approved Project Workplan, the award may be rescinded by MassCEC in its sole discretion. If, twenty-four (24) months after the Effective Date, the Project has not been completed, MassCEC reserves the right to reduce or rescind the remaining unfunded portion of the Grant, provided that MassCEC may waive this right in its sole discretion.

4. Project Managers

- a. MassCEC and Grantee have designated the following persons to serve as Project Managers to support effective communication between MassCEC and Grantee and to report on the Project's progress (each a "Project Manager"). Grantee represents and warrants that its Project Manager is authorized to communicate with MassCEC on behalf of Grantee.

For MassCEC:

[First Name Last Name], ([phone number] / [email]@masscec.com)

[First Name Last Name], ([phone number] / [email]@masscec.com)

For Grantee:

[First Name Last Name], ([phone number] / [email]@)

- b. Grantee shall obtain prior written approval from MassCEC to make any change to its Project Manager. For the avoidance of doubt, MassCEC may update its Project Manager(s) listed without amending this Agreement, if done in compliance with the notice provision contained herein.

5. Notice

Any notice in this Agreement shall be in writing and shall be sent either by (i) email or other electronic transmission, (ii) courier, or (iii) first class mail, postage prepaid, addressed to the Project Manager listed in Section 4(a) at the address indicated in the preamble of this Agreement (or to such other address as a Party may provide by notice to the Party pursuant to this section), and shall be effective (x) at dispatch, if sent by email or other electronic transmission, (y) if sent by courier, upon receipt as recorded by courier, or (z) if sent by first class mail, five (5) days after its date of posting.

6. Publicity; Use of Name

- a. Grantee shall collaborate directly with MassCEC to prepare any public statement, media strategy or announcement relating to or bearing on the work performed or data collected under

this Agreement or to prepare any press release or for any news conference in which MassCEC is concerned or discussed, including, but not limited to, any media pitches, interviews, embargoed materials, photo opportunities, blogs, guest columns, media events, or editorial boards which relate to this Agreement or MassCEC (each, a “Public Statement”) and shall in no event be permitted to publish, release, or otherwise disseminate any such Public Statement without MassCEC’s prior written consent.

- b. Grantee agrees that MassCEC shall have the right to make use of and disseminate, in whole or in part, all work products, reports, Deliverables, and other information produced in the course of the Project, and to use the information in such materials contained to produce summaries, case studies, or similar information resources.

7. Other Requirements

- a. *Monitoring and Evaluation.* Grantee agrees to support MassCEC’s program monitoring and evaluation activities, and MassCEC’s dissemination of information regarding Grantee’s experiences. To this end, Grantee agrees that its key personnel and contractors working on the Project will be available at reasonable times with advance notice to be interviewed by MassCEC or its authorized representatives for purposes of obtaining information on the status of the Project, evaluating the Program, and/or case study development. Grantee agrees to (a) provide Project status updates to the Support Service Advisor, approximately once per month during the course of the Project; and (b) respond promptly to inquiries for documentation or information from MassCEC or its Support Service Advisor.
- b. *Grant Administration.* Grantee shall use the Grant funds only for the activities described in the approved Project Workplan. Grantee shall maintain financial records relating to the receipt and expenditure of all Grant funds in accordance with the terms set forth under this Agreement for a period of seven (7) years starting on the first day after final payment under the Agreement.
- c. *Grant Expenditure.* All costs incurred by Grantee before the Effective Date are incurred voluntarily, at Grantee’s risk and upon its own credit and expense. Grantee shall not incur any costs to be charged against Grant funds prior to the Effective Date.

- d. *Cost Share.* Grantee agrees to meet a minimum twenty-five percent (25%) cost share ("Cost Share") over the Grant Term, including a minimum twenty percent (20%) cash cost share. "Cash Cost Share" shall consist only of cash contributed by Grantee or [CRITICAL PARTNERS], documented grants from other parties (such as other state or federal agencies or charitable organizations), or contributions of equipment, materials, or subcontractor labor. Grantee agrees and acknowledges that its Cost Share may be direct labor from Grantee or [CRITICAL PARTNERS], Cash Cost Share or a combination thereof. MassCEC shall determine, in its sole discretion, whether any funds that Grantee seeks to categorize as Cost Share for purposes of this Agreement satisfy the requirements of this Agreement, and MassCEC will pay Grant funds only upon Grantee's demonstration of Cost Share for each Grant Installment by providing (i) Deliverables as set forth in the Project Workplan; and (ii) Expenditure and Cost Share Certifications at each milestone set forth in the Project Workplan. Grantee agrees that, in the absence of such Cost Share, MassCEC shall not be bound by this Agreement to provide any Grant Installment. Grantee's cumulative Cost Share amount at the time Grantee submits any invoice to MassCEC shall constitute no less than forty percent (40%) of total of all invoiced Grant Installments.
- e. *Allowable Expenses.* Grantee's costs uniquely associated with the Project and incurred directly in the completion of Milestones set forth in the Project Workplan and identified in the Project Budget (the "Allowable Expenses") shall be eligible for Cost Share. For the avoidance of doubt, Allowable Expenses shall not include general administration, overhead, mark-ups, travel (by Grantee) or general-purpose facilities, equipment, materials, or software.
- f. *Patent Filings.* Grantee shall notify MassCEC in writing (email acceptable) of the filing of all patent applications and all issuances to it of any and all patent(s) directed to an invention conceived, made and/or obtained, in whole or in part, by Grantee in the course of, and/or resulting or stemming from, research or development funded in whole or in part by the Grant funds that may result in a patent or patent application or patent rights within thirty (30) days following such filing(s) which commitment shall survive termination of this Agreement.
- g. *Licensing of Technologies.* Grantee shall notify MassCEC in writing (email acceptable) of the licensing of any technologies conceived, made and/or obtained, or reduced to practice, in whole or in part, by Grantee in the course of, and/or resulting or arising from, research or development funded in whole or in part by this MassCEC award within thirty (30) days of such licensing, which commitment shall survive termination of this Agreement. Under no circumstances shall Grantee be permitted to deny or fail to disclose the existence of such a licensing arrangement, regardless of whether such a nondisclosure obligation exists under the arrangement. To the extent such licensing arrangement restricts Grantee from revealing confidential terms of the arrangement, Grantee shall provide MassCEC with a non-confidential description of the arrangement by withholding or redacting any information that would violate such confidentiality obligations.
- h. *[This Section will depend on whether the Grantee is a MA-based company, or a company which will have a project site in MA].*

[If MA-Based Company] - Massachusetts Presence and Registration Requirement. During the Term, Grantee shall maintain a majority of the following of its business operations in the Commonwealth: (i) the location of the company headquarters; (ii) primary sales and marketing operations; (iii) primary manufacturing operations; (iv) primary research and development operations (the "Massachusetts Presence Requirement"). Grantee shall immediately notify MassCEC in writing in the event at any time

during the Term it is no longer in compliance with the Massachusetts Presence Requirement, and MassCEC may, in its sole discretion, terminate the Agreement and rescind any Grant payments.

[If Company with project site in MA] - *Massachusetts Presence Requirement*. During the Term, Grantee must maintain at least one (1) project site (i.e., a location where the proposed technology is being tested) using the funding awarded under this Agreement) in Massachusetts and the proposed technology must fall within one (1) of the following four (4) focus areas of MassCEC:

- High performance buildings

Impactful, resilient, and cost-effective electrification technologies and approaches to decarbonizing the building sector.

- Clean transportation

Technologies that address the market barriers to electric vehicle deployment across weight classes, as well as technologies that reduce GHG emissions through vehicle-mile-travelled reduction and reduction of fuel usage in vehicles that have no electrification solution at present.

- Offshore wind

Project risk and cost reduction, market confidence enhancement and economic development that advance this new industry.

- Net zero grid

Technologies that enable a transition to a modernized and smarter grid which can host sufficient clean energy and flexible load resources to reach Net Zero, such as microgrids and energy storage.

Additionally, Grantee represents and warrants that Grantee is registered and in good standing with the Secretary of State's Office of the Commonwealth of Massachusetts.

- i. *Changes to Corporate Structure*. Grantee shall notify MassCEC, in writing (email acceptable), of all changes ("Changes") to its articles of incorporation, articles of organization, annual filings with the Secretary of State's Office, or any similar organizing documents ("Organizing Documents"), including, but not limited to, changes to the Grantee's structure, officers or directors, legal name, or registered agent, as soon as possible. MassCEC may request substantiation of all updated Organizing Documents, written consents or releases from co-founders, managers, or other key personnel of Grantee, explanation of accounting of any Grant dollars received to date, and other documentation as may be reasonably requested on a case-by-case basis. In the event that it is unclear who has authority to communicate with MassCEC on behalf of the Grantee, including the Project Manager identified by Grantee herein, MassCEC may in its sole discretion suspend payments under this Agreement until there is a clear authorized representative of the Grantee.

8. Termination

- a. MassCEC may terminate this Agreement at any time if Grantee has materially breached any term of the Agreement and fails to cure such breach as provided in Section 3(c).

- b. MassCEC may terminate this Agreement in the event of loss of availability of sufficient funds for the purposes of this Agreement or in the event of an unforeseen public emergency or other change of law mandating immediate action inconsistent with MassCEC performing its obligations under this Agreement.
- c. Except as otherwise provided in the Agreement, the rights and obligations of each of the Parties under Sections: 5, 6(b), 7(b), 7(f), 7(g), 8, 10, 11, 14, 15, 18, 19, 21, 22, 24, 26, and 27 of this Agreement shall survive and remain in effect after the termination or expiration of this Agreement.
- d. Throughout the Term of this Agreement, Grantee agrees and acknowledges that to receive payments of Grant Installments, Grantee must ensure the Project conforms with (i) the Clean Energy Project Qualifications, (ii) the Massachusetts Presence Requirement, (iii) the Project Workplan, and (iv) that the Project is completed within four (4) years of the Effective Date. The Parties agree that in the event MassCEC determines, in its sole discretion, that Grantee has failed to comply with any of the requirements of (i) through (iv) in the immediately preceding sentence, MassCEC shall have the right to immediately terminate this Agreement in accordance with this section and reduce or rescind Grant Installments. In addition, pursuant to Section 11, Grantee shall be required to refund any and all non-complying Grant Installments, or portions of such Grant Installments, made by MassCEC prior to the effective date of such termination ("Termination Date"), in the event an audit reveals the existence of a Nonconformance Event (as defined in Section 11) at any other time on or after the Effective Date.

9. Tax Forms and Grant Taxability

- a. Grantee shall provide MassCEC with a properly completed United States Internal Revenue Service ("IRS") Form W-9 (the "W-9"). Failure to provide the W-9 shall be grounds for withholding all Grant Installments until such W-9 is received. W-9s shall be emailed to AP@masscec.com.
- b. Grants may be considered taxable income by the IRS and the Massachusetts Department of Revenue. Grantee is solely responsible for any failure to timely consult with a tax professional to determine the federal and/or state implications of this Agreement. MassCEC will issue an IRS Form 1099 to each Grantee. For all tax-exempt entities (including government entities), a tax-exemption certificate or IRS tax-exemption determination letter must be emailed to AP@masscec.com.

10. Access and Use

Grantee agrees to license or otherwise make available to MassCEC in perpetuity, without charge, the Grantee's interest in and copyright (if any) to all non-confidential materials prepared and produced for the Project, including, without limitation, all plans, specifications, and analyses developed in connection with the Project and specified as being for MassCEC's use and public dissemination; provided, however, that any and all inventions that are conceived or first reduced to use during the course of the Project shall be the sole property of Grantee (except that if jointly invented, title shall flow in accordance with United States patent law), and any licensing requests for such inventions shall be subject to good faith negotiations between the Parties. Grantee represents and warrants that Deliverables will not infringe on any copyright, right of privacy, or personal or proprietary rights of others.

11. Audit

At any time prior to the completion of the Project and as otherwise provided in this section, MassCEC will have the right to audit Grantee's or its other agents' records to confirm the use of the Grant awarded under this Agreement. If such audit reveals that any portion of such funds was utilized for purposes not permitted under the Agreement (a "Nonconformance Event"), then Grantee shall refund to MassCEC the amount determined by such audit to have been improperly used within thirty (30) days of Grantee's receipt of such audit and demand. In the event such audit reveals a Nonconformance Event, MassCEC shall be permitted to immediately terminate this Agreement and discontinue disbursing Grant Installments to Grantee effective as of the date the audit is completed, subject to any limitations set forth by Section 8. Grantee shall maintain books, records, and other compilations of data pertaining to the funds paid under the Agreement to the extent and in such detail as shall properly substantiate use of such payments. All such records shall be kept for a period of seven (7) years, starting on the first day after final payment under the Agreement (the "Retention Period"). If any litigation, claim, negotiation, audit, or other action involving the records is commenced prior to the expiration of the Retention Period, all records shall be retained until completion of the audit or other action and resolution of all issues resulting from audit or other action, or until the end of the Retention Period, whichever is later. MassCEC or the Commonwealth or any of their duly authorized representatives shall have the right at reasonable times and upon reasonable notice, to examine and copy at reasonable expense, the books, records, and other compilations of data of the Grantee which pertain to the provisions and requirements of this Agreement. Such access may include on-site audits, review, and copying of records.

12. Assignment and Subcontracting

Grantee shall not assign or in any way transfer any interest in Grant funds without the prior written consent of MassCEC, including subcontracting any of its obligations hereunder except as otherwise included in the Project Workplan. Any subcontract entered into by Grantee pursuant to this Section 12 shall not relieve Grantee from any of its obligations pursuant to this Agreement. Any act or omission by a subcontractor of Grantee shall be deemed an act or omission by Grantee, and Grantee shall be responsible for each of its subcontractors complying with all obligations of Grantee pursuant to this Agreement.

13. Compliance with Laws

Grantee agrees to comply with all applicable federal, state, and local statutes, rules, regulations, and permitting requirements, including, but not limited to, all laws promoting fair employment practices or prohibiting employment discrimination and unfair labor practices and shall not discriminate in the hiring of any applicant for employment nor shall any qualified employee be demoted, discharged, or otherwise subject to discrimination in the tenure, position, promotional opportunities, wages, benefits, or terms and conditions of their employment because of race, color, national origin, ancestry, age, sex, religion, disability, handicap, sexual orientation, gender identity, or for exercising any rights afforded by law.

14. Indemnification

- a. To the fullest extent permitted by law, Grantee shall indemnify and hold harmless the Commonwealth, MassCEC, and each of their respective agents, officers, directors, and employees (together with the Commonwealth and MassCEC, the "Covered Persons") from and against any and all liability, loss, claims, damages, fines, penalties, costs, and expenses (including reasonable attorney's fees), judgments and awards (collectively, "Damages") sustained, incurred or suffered by or imposed upon any Covered Person resulting from (i) any breach of this Agreement or false representation of Grantee, its officers, directors, employees, agents, subcontractors, or assigns under this Agreement, or (ii) any negligent acts or omissions or reckless misconduct of Grantee, its officers, directors, employees, agents, subcontractors, or assigns. Without limiting the foregoing, Grantee shall indemnify and hold harmless each Covered Person against any and all Damages that may arise out of or are imposed due to the failure to comply with the provisions of applicable law or regulation by Grantee or any of its agents, officers, directors, employees, or subcontractors.
- b. In no event shall either Party be liable for any indirect, incidental, special, punitive, or consequential damages whatsoever (including, but not limited to, lost profits or interruption of business) arising out of or related to Grantee's, its employees', agents', or assigns' performance of the Project under this Agreement, regardless of the form of action, whether in contract, tort (including negligence), strict liability, or otherwise.
- c. [Note: this or similar language to be included where applicable consultant roles are part of the program] The Parties acknowledge that the Support Service Advisor, an independent contractor, is contracted by MassCEC to provide: (i) support on strategic partnerships with Project Partners (ii) business development support for awarded projects (ii), (iii) Expert in Residence Support Sessions) and (iiii) together, "Technical Assistance").

The Parties acknowledge that, to the extent Grantee receives any Technical Assistance from the Support Service Advisor in relation to the Project, except from services specified in the Scope of Work and Project Management as defined herein: (i) any such Technical Assistance is not a binding obligation of Grantee to adopt and is given solely as guidance for the Grantee to accept or reject at Grantee's discretion; (ii) any and all consequences of accepting or rejecting such Technical Assistance shall be the sole responsibility of Grantee; (iii) in no event shall any Covered Person be liable to Grantee or any other party for any Damages sustained, incurred, or suffered by or imposed upon the Grantee or any of its officers, directors, employees, agents, subcontractors, or assigns arising from or related to such Technical Assistance to Grantee in relation to the Project; and (iv) except to the extent such Damages are determined to have resulted from the willful misconduct or fraudulent behavior of the Support Service Advisor, the Support Service Advisor shall not be liable for any Damages sustained, incurred, or suffered by or imposed upon the Grantee or any of its officers, directors, employees, agents, subcontractors, or assigns, associated with the Support Service Advisor's provision of Technical Assistance in relation to the Project.

15. Public Records and CTHRU

As a public entity, MassCEC is subject to the Commonwealth's Public Records Law, codified at M.G.L. c. 66. Thus, any documentary material, data, or other information received by MassCEC from an applicant is a public record subject to disclosure. An exemption to the Public Records Law may apply to certain

records, such as materials that fall under certain statutory or common law exemptions, including the limited exemption set forth in M.G.L. c. 23J, Section 2(k) regarding trade secrets, or commercial or financial information regarding the operation of any business conducted by an applicant for any form of assistance from MassCEC. Grantee acknowledges and agrees that MassCEC, in its sole discretion, shall determine whether any particular document, material, data, or other information is exempt from or subject to public disclosure.

Grantee agrees and acknowledges that MassCEC shall have the right to disclose the name of Grantee and/or payee, the amount of the payment pursuant to this Agreement, and any other information it may deem reasonably necessary on CTHRU, the Commonwealth's online database of state spending, or any other applicable state spending website.

16. Insurance

Grantee certifies that appropriate insurance coverage for all activities under this Agreement has been obtained and shall be maintained in effect through the Term of this Agreement. GRANTEE ACKNOWLEDGES THE SUFFICIENCY OF THE TYPES AND AMOUNTS OF INSURANCE COVERAGE MAINTAINED AND THE APPROPRIATENESS OF THOSE COVERAGES FOR THE DURATION OF THE TERM. At MassCEC's request, Grantee will provide MassCEC with copies of the certificates of insurance evidencing such coverage. The insurance requirements for the Project and pursuant to this Agreement are solely Grantee's responsibility and shall not relieve Grantee of any responsibility to MassCEC.

17. Conflict of Interest

The Grantee represents that to its knowledge, none of its officers, directors, employees, agents, contractors, managers, or other representatives have or will have a personal financial interest in the Grant awarded under this Agreement. Grantee acknowledges that all MassCEC employees are subject to the Commonwealth's Conflict of Interest statute, codified at M.G.L. c. 268A. Grantee agrees to notify MassCEC in the event that Grantee becomes aware of any real or perceived conflict of interest with respect to this Agreement.

18. Lobbying

No funds awarded by this Agreement may be used to pay for or otherwise support any activities intended to influence any matter pending before the Massachusetts General Court or for activities covered by the law and regulations governing "legislative agents" or "executive agents" set forth in the Commonwealth's Lobbying Law, codified at M.G.L. c. 3, Section 39.

19. Choice of Law and Forum; Arbitration; Equitable Relief

- a. This Agreement and the rights and obligations of the Parties shall be governed by and construed in accordance with the laws of the Commonwealth, without giving effect to its conflict of laws principles. Any dispute arising out of or relating to this Agreement or its breach, termination, or invalidity, whether before or after termination of this Agreement, if not resolved by negotiation among the Parties within thirty (30) days after such dispute is raised by either Party in writing, will be settled by binding arbitration by a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction over this Agreement. Any such arbitration will be conducted in or near Boston, Massachusetts. The prevailing Party shall be entitled to receive from the other Party its reasonable attorney's fees and costs incurred in connection with any action, proceeding or arbitration under this subsection.
- b. This section shall not be construed to limit any other legal rights of the Parties. Each Party acknowledges and agrees that any breach or threatened breach of this Agreement by the other Party may result in substantial, continuing and irreparable damage to the first Party. Therefore, before or during any arbitration, either Party may apply to a court having jurisdiction for a temporary restraining order or preliminary injunction, where such relief is necessary to protect its interests pending completion of the arbitration proceedings.

20. Registration

Grantee represents and warrants that Grantee is registered and in good standing with the Secretary of State's Office of the Commonwealth of Massachusetts.

21. Severability

Each provision of this Agreement shall be treated as a separate and independent clause and any decision from a court of competent jurisdiction to the effect that any clause or provision of this Agreement is null or unenforceable shall in no way impair the validity, power, or enforceability of any other clause or provision of this Agreement.

22. Amendments and Waivers

MassCEC may amend Section 15 (without any action by Grantee) to reflect changes in law or MassCEC policies and shall promptly deliver any and all such amendments to Grantee in the manner provided in Section 5. Except as provided in the immediately preceding sentence, no amendments to or modifications of this Agreement, and no waiver of any provision of this Agreement, shall be effective unless the same shall be in writing and shall be signed by each of the Parties. Any waiver by MassCEC of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of such provision or any other provision of this Agreement. Forbearance or indulgence in any form or manner by a Party shall not be construed as a waiver, or in any way limit the remedies available to that Party.

23. Force Majeure

Neither Party shall be liable or responsible to the other Party, nor be deemed to have breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by or results from acts beyond the impacted Party's ("Impacted

Party") reasonable control, including, without limitation, the following force majeure events ("Force Majeure Events"): (a) acts of God; (b) flood, fire, earthquake, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) actions, embargoes, or blockades in effect on or after the date of this Agreement; (e) national or regional emergency; and (f) strikes, labor stoppages or slowdowns. The Impacted Party shall give notice within two (2) days of the Force Majeure Event to the other Party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of ten (10) days following written notice given by it under this section, the other Party may thereafter terminate this Agreement upon fifteen (15) days' written notice.

24. Independent Status

Nothing in this Agreement will be construed or deemed to create a relationship of employer and employee, partner, joint venturer, or principal and agent between MassCEC and Grantee, its employees, agents, or officers.

25. Counterparts

This Agreement may be executed in two (2) or more counterparts, and by the Parties on separate counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

26. Interpretation

The headings in this Agreement are for reference only and do not affect the interpretation of this Agreement. For purposes of this Agreement, (a) the words "include," "includes," and "including" are deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto," and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references in this Agreement: (x) to sections, subsections, schedules, and exhibits mean the sections of, the subsections of, and schedules and exhibits attached to, this Agreement; (y) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by the provisions of such agreement, instrument, or other document; and (z) to a statute means such statute as amended from time to time and includes any successor legislation to such statute and any regulations promulgated under such statute. Whenever the singular is used in this Agreement, the same shall include the plural, and whenever the plural is used in this Agreement, the same shall include the singular, where appropriate. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. This Agreement is the result of negotiations between, and has been reviewed by, the Parties and their respective legal counsel.

27. Binding Effect; Entire Agreement

This Agreement shall be binding on the Parties and their respective successors and permitted assigns, and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Except as provided in the immediately preceding sentence, nothing in this Agreement shall be construed to create any rights or obligations except between the Parties, and no person shall be regarded as a third party beneficiary of this Agreement. This Agreement embodies the entire understanding and agreement between the Parties with respect to the subject matter of this Agreement and supersedes all prior oral or written agreements and understandings relating to such subject matter. No statement, representation, warranty, covenant, or agreement of any kind not set forth in this Agreement will affect, or be used to interpret, change, or restrict, the express terms and provisions of this Agreement. Furthermore, neither Grantee's nor any of its subcontractors' provision of services under this Agreement implies, establishes or otherwise creates any rights or expectations of additional contracts with the MassCEC, whether related or unrelated to the subject matter of this Agreement. The following (together with all exhibits, schedules, and attachments) are hereby incorporated into this Agreement by reference:

- a. Attachment 1—Project Workplan
- b. Attachment 2—Cost Share and Expenditure Certification
- c. Attachment 3 – ACH Enrollment Form
- d. Attachment 4 – Metrics Collection Template
- e. Attachment 5 – Warrant Agreement

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In witness whereof, the Parties have caused this Agreement to be executed and delivered by their duly authorized officers as of the Effective Date.

Massachusetts Clean Energy Technology Center

[Grantee's full legal entity name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Federal Tax ID No.:

Attachment 2—Cost Share and Expenditure Certification

For submission with Grantee's invoice

Grantee Contact and Project Financing Information	
Project Title	
Grantee Contact Name, Title	
Company/Organization	
Milestone # and Name	
Grant Installment Amount Requested	
Grantee Cost Share Amount for Milestone	
Cost Share Source(s)	<i>I.e. Investors, in-kind, labor, cash, etc. Please include names of entities contributing to each type of cost share, amounts for each</i>

This Cost Share and Expenditure Certification is subject to the Agreement, by and between Grantee and MassCEC. By signing below, the undersigned certifies that:

1. They are authorized to sign on behalf of Grantee;
2. MassCEC, pursuant to Section 11 of the Agreement, has the right to audit records to confirm the use of funds is consistent with the Grant requirements and may do so at any time in compliance with the terms of the Agreement;
3. Grantee has used and/or will use all Grant funds for the Project.

By: _____

(Signature of Authorized Representative)

Name _____

Title _____

Date _____

Attachment 3 – ACH Enrollment Form
Please submit completed form to AP@masscec.com

Part I: Reason for Submission		
☐ New Enrollment	☐ Change Enrollment	☐ Cancel Enrollment
Document Included		
☐ Voided Check	☐ Bank Letter	

Part II: Account Holder Information
Account Holder Legal Name
dba Name
Legal Address Number, Street, Apartment/Suite Number
City, State, Zip Code
Account Holder Tax Identification Number Employer Identification Number (EIN) Social Security Number (SSN)

Part III: Financial Institution Information		
Financial Institution Name		
Routing Number	Account Number	Account Type ☐ Checking ☐ Savings
If this is an Enrollment Modification, you must include your old financial institution information or your request will be returned.		
Old Financial Institution Name		
Old Routing Number	Old Account Number	Old Account Type ☐ Checking ☐ Savings

Part IV: Vendor/Customer Information	
This is the person we will contact for any questions regarding this ACH Authorization	
Contact Person's Name	Contact Person's Title
Contact Person's Phone	Contact Person's Email

Part V: Authorization

By signing below, I hereby certify that the account(s) indicated on this form is under my direct control and access; therefore, I authorize the Massachusetts Clean Energy Center to initiate, change, or cancel credit entries to the account(s) as indicated on this form.

For ACH debits consistent with the International ACH Transaction (IAT) rules check one:

☐ I affirm that payments authorized by this agreement are not to an account that is subject to being transferred to a foreign bank account

☐ I affirm that payments authorized by this agreement are to an account that is subject to being transferred to a foreign bank account.

This authority is to remain in full force and effect until the Massachusetts Clean Energy Center has received written notification from either me or an authorized officer of the organization of the account's termination in such time and in such a manner as to afford MCEC a reasonable opportunity to act upon it.

Account Holder Authorized Signature	Print Name
Title	Date

ATTACHMENT G: SAMPLE CRITICALMASS WARRANT AGREEMENT TEMPLATE

THIS WARRANT AND THE SHARES ISSUABLE UPON THE EXERCISE HEREOF ARE RESTRICTED SECURITIES WITHIN THE MEANING OF THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), AND ANY APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE ACT OR THE OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT AN EXEMPTION FROM REGISTRATION IS AVAILABLE OR THAT SUCH TRANSFER MAY OTHERWISE LAWFULLY BE MADE. THIS WARRANT AND THE WARRANT SHARES ISSUABLE UPON EXERCISE HEREOF ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

PREFERRED STOCK PURCHASE WARRANT

[COMPANY NAME]

ISSUANCE DATE:

This certifies that the Purchaser listed below, and the Purchaser’s permitted assigns, are entitled, subject to the terms set forth below, to purchase from [COMPANY NAME], shares of fully paid and nonassessable capital stock of the Company in the aggregate number and at the Exercise Price as defined below at any time and from time to time through the Termination Date, as defined below. This Warrant is one of a series of Warrants issued by the Company pursuant to that certain [FILL IN WITH MOST RECENT STOCK CATEGORY INSUANCE] and Warrant Purchase Agreement first dated as of [MM/DD/YYYY] (the “**Purchase Agreement**”). As used herein, the term “**Warrants**” shall mean all of the Warrants issued pursuant to the Purchase Agreement; and, the term “**Warrant**” shall mean any one of such Warrants.

Name of Purchaser:	Massachusetts Clean Energy Technology Center
Address of Purchaser:	294 Washington St Suite 1150, Boston, MA 02108
Number of Warrant Shares:	
Exercise Price:	

1. Definitions. As used in the Warrant, the following terms, unless the context otherwise requires, have the following meanings:

“**Exercise Price**” means, subject to adjustment pursuant to Section 2 hereof, [XXX] per share.

“**Termination Date**” means 5:00 p.m. Boston time on [Date of expiration] or, if earlier: (i) the date on which the Company completes its first public offering of its common stock, \$0.01 par value per share, registered pursuant to the Securities Act of 1933, as amended; (ii) immediately prior to the closing with respect to any transaction constituting a Deemed

Liquidation Event (as defined in the Company's Restated Certificate of Incorporation); or (iii) a Stock Sale (as defined in the Company's Second Amended and Restated Voting Agreement).

The "**Company**" as referred to herein includes [COMPANY NAME] and any Company which shall succeed to or assume obligations of the Company under the Warrant.

"**Warrant Shares**" means shares of capital stock of the Company for which this Warrant is exercisable and stock of any other class into which those shares are hereafter changed.

"**Warrantholder**", "**holder of Warrant**", "**holder**", or similar terms when the context refers to a holder of the Warrant, mean any person who shall at the time be the registered holder of the Warrant.

2. Adjustment of Exercise Price and Number of Shares. The number and kind of Warrant Shares and the Exercise Price shall be subject to adjustment from time to time upon the occurrence of certain events, as follows:
 - (a) Reclassification. In case of any reclassification or change of outstanding securities of the class issuable upon exercise of the Warrant, the Company shall execute a new warrant providing that the holder of the Warrant shall have the right to exercise such new warrant and procure upon such exercise in lieu of each Warrant Share theretofore issuable upon exercise of the Warrant the kind and amount of Warrant Shares, other securities, money and property receivable upon such reclassification by a holder of one Warrant Share. Such new warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 2. The provisions of this subsection (a) shall similarly apply to successive reclassifications.
 - (b) Subdivision or Combination of Shares. If the Company at any time while the Warrant remains outstanding and unexpired shall subdivide or combine the capital stock constituting the Warrant Shares, the Exercise Price shall be proportionately decreased in the case of a subdivision or increased in the case of a combination.
 - (c) Stock Dividends. If the Company at any time while the Warrant is outstanding shall pay a dividend with respect to the capital stock constituting the Warrant Shares payable in shares of its capital stock, or make any other distribution of its capital stock with respect to such Warrant Shares (except any distribution specifically provided for in the foregoing subsections (a) or (b)), then upon exercise of the Warrant, for each Warrant Share acquired, the Purchaser shall receive the total number and kind of securities to which the Purchaser would have been entitled had the Purchaser owned the Warrant Shares of record as of the date the dividend.
 - (d) Non-Cash Dividends. If the Company at any time while the Warrant is outstanding shall pay a dividend with respect to the capital stock constituting the Warrant Shares payable in securities other than capital stock or other non-cash property, or make any other distribution of such securities or property with respect to Stock (except any distribution specifically provided for in the foregoing subsections (a), (b) or (c)), then the Warrant shall represent the right to acquire such securities or property which the holder of the Warrant would have been entitled to receive upon exercise of the Warrant, without the payment by the holder of the Warrant of any additional consideration for such securities or property.

- (e) Adjustment of Number of Shares. Upon each adjustment in the Exercise Price, the number of Warrant Shares purchasable hereunder shall be adjusted to the nearest whole share, to the product obtained by multiplying the number of Warrant Shares purchasable immediately prior to such adjustment in the Exercise Price by a fraction, the numerator of which shall be the Exercise Price immediately prior to such adjustment and the denominator of which shall be the Exercise Price immediately thereafter.
- (f) Notice of Adjustments. Whenever the Exercise Price or the number of Warrant Shares purchasable hereunder shall be adjusted pursuant to Section 2 hereof, the Company shall issue a certificate signed by its chief executive officer or chief financial officer setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated and the Exercise Price or number of shares purchasable after giving effect to such adjustment, and shall cause a copy of such certificate to be mailed (by first class mail, postage prepaid) to the holder of the Warrant.

3. Exercise Provisions

- (a) Manner of Exercise. The Warrant may be exercised in part or in whole only by the holder of the Warrant surrendering to the Company, at its principal office, the Warrant, together with the exercise form attached to the Warrant duly executed by the holder and

(i) by the payment to the Company in cash, by check payable to the order of the Company or by cancellation by the Holder of indebtedness or other obligations of the Company to Holder in the amount obtained by multiplying the Exercise Price by the number of Warrant Shares of Stock designated in the exercise form; or

(ii) in lieu of paying the Exercise Price in the method set forth in Section 3(a)(i), by the holder of the Warrant electing to receive, without the payment by such holder of any additional consideration, Warrant Shares equal to the value of this Warrant (or the portion thereof being exercised), in which event the Company shall issue to the holder a number of Warrant Shares computed using the following formula:

$$X = \frac{Y(A - B)}{A}$$

Where: X = The number of Warrant Shares to be issued to the holder pursuant to this net exercise;

Y = The number of Warrant Shares in respect of which the net exercise election under this Section **Error! Reference source not found.**(a)(ii)**Error! Reference source not found.** is made;

A = The fair market value of one Warrant Share at the time the net issue election is made;

B = The Exercise Price.

For purposes of this Section **Error! Reference source not found.**(a)(ii), the fair market value of a Warrant Share as of a particular date shall be determined by the Company's Board of Directors in its reasonable discretion.

- (b) Partial Exercise. On any partial exercise, the Company shall promptly issue and deliver to the holder of the Warrant a new warrant or warrants of like tenor in the name of that holder providing for the right to purchase that number of Warrant Shares as to which the Warrant has not been exercised.
 - (c) No Fractional Shares. No fractional shares will be issued upon exercise of rights to purchase under the Warrant. If upon any exercise of the Warrant a fraction of a share results, the Company will pay the cash value of that fractional share.
4. Delivery of Stock Certificates. Within a reasonable time after full or partial exercise of the Warrant, the Company at its expense will cause to be issued in the name of and delivered to the holder of the Warrant, a certificate or certificates for the number of fully paid and nonassessable Warrant Shares to which that holder shall be entitled upon such exercise, together with any other securities and property to which that holder is entitled upon such exercise under the terms of the Warrant.
5. Compliance with Securities Act; Notice of Proposed Transfers.
- (a) Compliance with Securities Act. The holder of the Warrant, by acceptance hereof, agrees that the Warrant and the Warrant Shares to be issued upon exercise hereof are being acquired for investment and that such holder will not offer, sell or otherwise dispose of the Warrant or any Warrant Shares to be issued upon exercise hereof except under circumstances which will not result in a violation of the Securities Act of 1933, as amended (the "Act"). Upon exercise of the Warrant, the holder hereof shall confirm in writing, in a form satisfactory to the Company, that the Warrant Shares are being acquired for investment and not with a view toward distribution or resale (unless sale of the Warrant Shares has been registered under the Act or an exemption therefrom is available). Any proposed transferee of the Warrant or the Warrant Shares (except a transferee of the Warrant Shares in a registered public offering) will be required to agree in writing to the provisions of this Section 4. Certificates representing all Warrant Shares (unless registered under the Act) shall be stamped or imprinted with a legend in substantially the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE
HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION
FROM REGISTRATION UNDER THE SECURITIES ACT OF
1933. SUCH SECURITIES HAVE NOT BEEN REGISTERED
UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR
ANY APPLICABLE STATE SECURITIES LAWS. SUCH
SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD OR
TRANSFERRED IN THE ABSENCE OF SUCH
REGISTRATION OR AN EXEMPTION THEREFROM
EVIDENCED BY AN OPINION OF COUNSEL

SATISFACTORY IN FORM AND SUBSTANCE TO [COMPANY NAME], TRANSFER OF SUCH SECURITIES IS SUBJECT TO RESTRICTIONS CONTAINED IN A WARRANT PURSUANT TO WHICH THE SECURITIES WERE PURCHASED AND THE BY-LAWS OF THE COMPANY, COPIES OF WHICH WILL BE FURNISHED ON REQUEST WITHOUT CHARGE.

- (b) Notice of Proposed Transfers. Transfer of the Warrant is restricted by Section 5(a) hereof, and transfer of the Warrant Shares may be restricted by the by-laws of the Company, as amended from time to time, and by the terms and conditions of any agreements entered into as a condition of purchasing this Warrant or said Warrant Shares.

6. Miscellaneous Provisions.

- (a) Notice of Termination Prior to Exercise of Warrant. The Company shall cause advance notice to be mailed to the holder of this Warrant at least twenty (20) days before the Termination Date of the Warrant. Such notice shall include the Termination Date and, if the Termination Date is prior to [DATE OF TERMINATION] the notice shall state the reason for termination (e.g. sale of the Company).
- (b) Reservation of Stock. The Company covenants that it will at all times reserve and keep available, solely for issuance upon exercise of the Warrant, all Warrant Shares or other securities from time to time issuable upon exercise of the Warrant.
- (c) Amendments and Modification. The Warrant and any of its terms may be amended, modified, waived, or terminated by a written instrument or instruments signed by the Company and the holders of a majority-in-interest of the Warrant Shares issuable upon exercise of the Warrants acquired pursuant to the Purchase Agreement, even without the consent of the holder. Notwithstanding the foregoing, the Warrant may not be amended, modified or terminated and the observance of any term hereunder may not be waived with respect to the holder of the Warrant without the consent of such holder unless such amendment, modification, termination or waiver applies to all holders of the Warrants acquired pursuant to the Purchase Agreement in the same fashion.
- (d) Replacement. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction, or mutilation of the Warrant and, in the case of loss, theft, or destruction, on delivery of any indemnity agreement or bond reasonably satisfactory in form and amount to the Company or, in the case of mutilation, on surrender and cancellation of the Warrant, the Company at its expense will execute and deliver, in lieu of the Warrant, a new warrant of like tenor.
- (e) No Rights as Stockholder. No holder of the Warrant, as such, shall be entitled to vote or receive dividends or be considered a stockholder of the Company for any purpose, nor shall anything in the Warrant be construed to confer on any holder of the Warrant as such, any rights of a stockholder of the Company or any right to vote, to give or withhold consent to any corporate action, to receive notice of meetings of stockholders, to receive dividends or subscription rights or otherwise.

- (f) Transfer and Assignment. The transfer and assignment of the Warrant will be subject to the transfer and assignment terms and conditions applicable in the Company's Second Amended and Restated Investors' Rights Agreement, Second Amended and Restated Right of First Refusal and Co-Sale Agreement, Second Amended and Restated Voting Agreement and all applicable federal and state securities laws.
- (g) Notices. Notices hereunder to the holder of the Warrant shall be sent by certified or registered mail to the address given to the Company by such holder and shall be deemed given five days after so mailed, or if sent to a holder outside the United States, by telecopy with a copy sent by air mail or courier.
- (h) Governing Law. The Warrant shall be governed by the laws of the State of Massachusetts as applied to contracts entered into in Massachusetts between Massachusetts residents.

[Remainder of Page Intentionally Left Blank.]

[COMPANY NAME],

By: _____

Name:

Title:

SAMPLE

[Signature Page to Warrant]

EXERCISE NOTICE

[To be signed only on exercise of Warrant]

TO: [COMPANY NAME],

The undersigned, the holder of the within Warrant, hereby irrevocably elects, in accordance with and subject to the provisions of Section [SECTION NUMBER] of such Warrant, to exercise the purchase right represented by such Warrant for, and to [check applicable subsection]:

_____ (a) _____ purchase thereunder, _____ * shares of Preferred Stock of [COMPANY NAME], and herewith makes payment of \$ _____ therefor, and requests that the certificates for such shares be issued in the name of, and delivered to _____, whose address is _____.

OR

_____ (b) exercise the attached Warrant for Warrant Shares purchasable under the Warrant pursuant to the next exercise provisions of Section 3(a) of such Warrant.

(Signature must conform in all respects to name of holder as specified on the fact of the Warrant)

(Address)

Dated:

*Insert here the number of shares as to which the Warrant is being exercised.