

TERMS AND CONDITIONS FOR GROW-NY COMPETITION FOR 2020

Last Updated: 3/1/2020

The Grow-NY Competition is an unparalleled competition focused on growing entrepreneurs and attracting resources from the U.S. and around the world to build innovative high growth food and agriculture businesses (the “**Competition**” or “**Grow-NY**”) and create jobs in New York’s Central, Finger Lakes, and Southern Tier regions (collectively, the “**Grow-NY Region**”). The Competition is administered by Cornell University (the “**University**”).

By submitting an application to compete in the Competition, the applicant agrees to and shall be bound by these terms and conditions (“**Terms and Conditions**”). These Terms and Conditions were last updated on the date identified above. All previous versions of these terms and conditions are deemed null and void.

Purpose

The purpose of the Competition is to be part of an overall program aimed at developing innovative food and agriculture enterprises in the Grow-NY Region. The Competition will award a total of up to \$3 million in prizes for the 2020 Competition, with a single top award of \$1 million. Its goal is to attract entrepreneurs from around the world to compete for prizes that will turn innovative food and agriculture ideas into funded enterprises with high growth potential in the Grow-NY Region.

The key driver of Grow-NY is that the award money is to be used in support of developing innovative food and agriculture businesses, with a goal of growing a thriving food and agriculture start-up cluster in the Grow-NY Region. Milestones will be used to assure award money is used to develop and grow the innovative food and agriculture businesses. Prizes will target scalable business models versus more localized service businesses, and with an emphasis on job creation and innovation.

Competition Timeline

Each year, the Grow-NY competition cycle will consist of an application, an online semifinalist selection, and a live pitch. Business support and development work in the Grow-NY Region is included for all finalists. Business support will continue to run after the Competition for as long as companies have an obligation to maintain a presence in the Grow-NY Region.

Date*	Event
April 1, 2020	Launch of the Competition and Application
July 15, 2020	Close of Application
Late July 2020	Semifinal Round of Judging <ul style="list-style-type: none">○ Group of judges will review and score applications
August, 2020	All applicants notified of their status
Fall 2020	Finalist Mentoring and Business Development <ul style="list-style-type: none">○ Finalists conduct business development trips throughout the Grow-NY Region coinciding with the Regional Showcase on October 21, 2020

	<ul style="list-style-type: none"> ○ Finalists work with their assigned mentor to plan and refine their pitch
October 21, 2020	<p>Regional Showcase An in-region showcase of assets and services available to entrepreneurs working in food & ag in Central New York, the Finger Lakes, and the Southern Tier</p>
November 17 - 18, 2020	<p>Pitch Competition & Grow-NY Summit</p> <ul style="list-style-type: none"> ○ A 3-day pitch event in the region featuring a live pitch to the Grow-NY judging panel ○ Grow-NY Food and Agriculture Summit ○ Prize winners announced

*All dates are tentative and remain subject to change by the Administrator.

Eligibility

The Competition is limited to applicants that are early-stage companies in the Food and Agriculture Field. As used in these Terms and Conditions, the term “**Food and Agriculture Field**” is defined as follows:

- Physical products, hardware technologies, software technologies, services, or processes that relate to or impact products that are derived from cultivating plants or enhance human life, such as:
- Food, including but not limited to fruits, vegetables, grains and cereal crops, meats and dairy products, honey and farmed fish, packaged and prepared food products for distribution;
- Fuels, including but not limited to ethanol, produced from corn, sugarcane, or sorghum, and agricultural byproducts like straw sugarcane;
- Fibers, including but not limited to fiber crops such as cotton, wool, silk, hemp, flax and bamboo;
- Raw materials, including but not limited to livestock feed; and
- Processes or systems that improve the development, growth, production, distribution, delivery, or processing of the above.

The term “**Food and Agriculture Field**” also includes hardware technologies, software technologies, services, or processes that are new, novel, or otherwise benefit agriculture, food, or their related industries.

To be eligible for the Competition, an applicant must be an established business entity that meets two or more of the following criteria, consistent with New York State’s definition of a “business in the formative stage,” which is defined as a “company in the start-up or early stage of development with a product, service, software, or research that is not yet in the commercial marketplace, but which can show continued and steady maturity towards commercialization and profitability either by product development, external funding or product sales.”

- Less than seven years from date of formal organization
- Has its first product or service in testing or pilot production
- Pre-revenue or early revenue
- Has a leadership team and investors working towards commercialization and profitability. If the business is a spin-off from an existing business that does not meet the above criteria, the new

entity must be pursuing a substantially new technology or business model.

The following businesses are not eligible for the Competition: investment vehicles that invest in the securities of other entities, residential real property and retail businesses, sports venues, gaming and gambling businesses, places of overnight accommodation, entertainment-related establishments, and such other types of business as the University's Grow-NY Administration Team (the "**Administrator**") may reasonably determine from time to time to be inconsistent with the purposes of the Competition. For this purpose, "**retail business**" means a business that is primarily engaged in making retail sales of goods or services to customers who personally visit such facilities to obtain goods or services. In addition, generally excluded are the following: buy-outs, roll-ups, real estate syndications, tax shelters, and franchise-based outlets. Also excluded are any businesses that do not fit within the definition of "Food and Agriculture Field" above.

Eligibility Requirements for Industrial Hemp Related Businesses:

To be eligible for the Competition, businesses engaged in growing, processing, producing, distributing or selling industrial hemp (or products derived from industrial hemp) must (1)

with the Department of Agriculture and Markets, and (2) not manufacture, distribute or sell industrial hemp based products (including but not limited to unapproved drugs, cosmetics, foods, and products marketed as dietary supplements) in violation of federal Food and Drug Administration regulations or other state or federal laws and regulations.

Awards, Benefits, and Conditions

Applicants that are accepted for participation in the Competition will be eligible to compete to receive one of the following seven prize awards:

- one award of \$1 million,
- two awards of \$500,000, and
- four awards of \$250,000 (each, an "**Award**" and collectively, the "**Awards**").

The number of Awards made is subject to change in the discretion of the Administrator based on the number of applicants, quality of applications received, involvement and commitment by selected finalists, and other factors.

All recipients of an Award (each, a "**Recipient**") will receive mentorship from experienced entrepreneurs and access to business acceleration and incubation support during the period of the Award.

Awards are contingent upon the availability of funds, and also contingent upon and only issued subject to execution of an Award Agreement in the form provided by the Administrator, which will include, but not be limited to, the following provisions:

Staged Payment. Recipients will receive Award money in staged payments, payable upon achievement of certain milestones as defined in the Award Agreement.

Entity Formation. Applicants need to have formed a business organization and be either a corporation or limited liability company in order to complete and submit an application. Award Agreements will be entered into with winning business entities. Each winning business entity must have authority to do business in New York and be in good standing both in New York and its jurisdiction of organization.

Grow-NY “Pay It Forward Investment”. Winners will be required to enter into a definitive investment agreement in the form of a [Warrant Agreement](#) or [Simple Agreement for Future Equity](#) (SAFE) with the University (the “**Investment Agreement**”), the forms of which are attached to the Award Agreement, for an amount up to 3% of the fully-diluted capitalization of the Recipient for an Award of \$1 million and up to 2% of the fully-diluted capitalization of the Recipient for Awards up to \$500,000 and \$250,000. The Administrator will reinvest any future proceeds derived from the Pay It Forward Investment consistent with the general purposes of the Competition. The applicant may choose whether the Investment Agreement will be a Warrant Agreement or SAFE.

Location Requirement. As a condition of any Award, Recipients must materially locate and maintain a presence on an on-going basis within the Grow-NY Region for at least twelve (12) consecutive months, commencing within three (3) months of the date of the Award. For purposes of this condition, the obligation to materially locate and maintain a presence in the Grow-NY Region may be met in one of the following ways:

- the applicant shall establish its principal place of business in the Grow-NY Region, identify its primary headquarters as its address in the Grow-NY Region, and have its key officers reside in New York State within commuting distance to this location; or
- the applicant shall establish its primary manufacturing facility within the Grow-NY Region; or
- the applicant shall establish its primary research and development facility within the Grow-NY Region; or
- the applicant shall make substantial capital investments in property, plant and equipment in its Grow-NY Region.

If a Recipient already has its primary offices in New York State, upon receiving an Award it may fulfill its obligation to materially locate and maintain a presence in the Grow-NY Region in one of the ways stated above. In the alternative, such a Recipient may fulfill these obligations by committing to quantified job creation targets in its Grow-NY application and presentations, and documenting achievement of these targets. These job creation targets may include jobs created directly by the company or include those created by the establishment of a Grow-NY Region-based supply chain or other strategic relationships with Grow-NY Region entities. The Administrator shall have the discretion to determine whether an applicant’s job creation targets, both in terms of number and quality of jobs, are acceptable to meet the Location Requirements.

If, during the term of the Location Requirement, the Recipient should stop meeting this Location Requirement, whether by moving outside of New York State, abandoning plans and/or eliminating jobs created as fulfillment of a Grow-NY Award milestone, or otherwise, the Award Agreement may be terminated and the Recipient shall forfeit all unpaid Award amounts and be obligated to immediately repay all disbursed Award amounts.

The Grow-NY Region consists of the following counties:

- Central NY (Cayuga, Cortland, Madison, Onondaga, and Oswego counties),
- Finger Lakes (Genesee, Livingston, Monroe, Orleans, Ontario, Seneca, Wayne, Wyoming, and Yates counties), and
- Southern Tier (Broome, Chemung, Chenango, Delaware, Schuyler, Steuben, Tioga, and

Tompkins counties).

Applications

Applications should be submitted via the Grow-NY website: www.grow-ny.com - following all protocols described on the website. All applications must be submitted in English. Instructions for filing a paper application in lieu of an online application are described on the website for applicants needing special accommodations.

Non-U.S. Applicants

Both domestic and non-United States based applicants are encouraged to apply. Non-United States applicants are responsible for obtaining any necessary visas and related immigration papers to attend final events of the Competition and to satisfy the appearance requirements of the final round of judging (as described below) and to meet the Location Requirements necessary to receive and continue to receive an Award.

Review of Applications

The application period will close July 15, 2020, 5:00 P.M. EDT, unless the deadline is extended (at the sole discretion of the Administrator). A panel of judges approved by the Administrator (the “**Committee**”) will review the applications. The Administrator shall have no obligation to confirm or acknowledge receipt of any application or to notify applicants if their submissions are incomplete.

The Committee may contact applicants to make inquiries or request additional information if it deems necessary to properly evaluate an application. The Committee will select certain applications to progress in the Competition as finalists. Such selections shall be made in the discretion of the Committee, subject to review by the Administrator.

Such finalists will receive (and must actively participate in) business training and mentoring support, including networking in the Grow-NY Region during an in-person visit occurring on and around October 21, 2020. Those finalists that choose to continue in the Competition will be invited to present to a Finals Judging Panel, selected by the Administrator, which will culminate in the Finals Judging Panel selecting the winners. Not all finalists will be selected to receive an Award.

Judging Criteria – Applicants will be judged based on:

- Viability of Commercialization and Business Model - Generation of revenue and maintenance of a cost structure that allows for a competitive and sustainable business; demonstrated readiness of the applicant’s technology or innovation to fulfill its needed value proposition.
- Customer Value - Provision of significant value for customers for which they are willing to pay; addressing a substantial market.
- Agriculture and Food Innovation – Pushing the state of the art in food and agriculture and contributing to making Upstate NY a global leader in agriculture and food innovation.
- Regional Job Creation - Potential for creation of high-quality jobs in the Grow-NY Region.
- Team – Quality and completeness of the team and its readiness to deliver.

During the presentation to the Finals Judging Panel, applicants will quantify the direct and indirect job creation and plan for meeting the Location Requirement that would occur within a 12-month term of agreement as result of receiving awards of \$250K, \$500K, and \$1M. This information will be presented within a template that the Administrator will give to finalists during Finalist Mentoring and Business Development.

Confidentiality and Intellectual Property – By submitting an application, the applicant agrees to the terms of the Grow-NY privacy policy, which is available on the Grow-NY

website at www.grow-ny.com. Access to the applications is granted to the Administrator and its designees (including, but not limited to, the Committee and Finals Judging Panel) for the purposes of review and judging (collectively, the “**Reviewing Parties**”). **The Administrator, for itself and on behalf of the Reviewing Parties, offers and makes no guarantee of confidentiality, either explicit or implicit, in connection with any data or information presented or discussed by applicants, whether in the application or otherwise throughout the Competition.**

Applicants should confirm with appropriate advisors and legal counsel that any intellectual property described or disclosed in an application is held by the applicant and appropriately protected before the application is submitted. Applicants should be prepared to provide reasonable back-up documentation for these statements, if requested by the Administrator.

The authors of each applicant submission will retain all copyrights to the contents of their submission, provided that the Reviewing Parties may make photocopies, photographs, and video and/or audio recordings of any data or information divulged, presented, or discussed by any applicant throughout that applicant’s participation in the Competition. By submitting an application for the Competition, applicants agree to and hereby grants a license to the Administrator and the Reviewing Parties to use and reproduce such materials without restriction and without compensation and to conduct such due diligence as the Reviewing Parties determine is necessary or desirable for purposes of evaluating the application and carrying out the Competition as described herein.

Also, applicant agrees to allow the Administrator to share the applicant’s information, including but not limited to names and contact details of participating individuals, category of business, and an abstract, with partners working in economic development in the Grow-NY Region.

In addition, applicant agrees, for itself and each of its principals and officers, that the Administrator and its assigns will have the perpetual right to publicly post and reproduce certain information about finalists and winners of Awards, including, but not limited to names of participating individuals, photographs, videos, category of business, logo and other marks, and an abstract (collectively, “**Materials**”) on the public areas of the Reviewing Parties’ websites, media sites and through other means, all without compensation. The Administrator and its assigns will also have the perpetual right to use the Materials for research, educational, advertising, promotional, not-for-profit and other similar purposes.

Other Conditions

1. Only one application per entity may be selected for evaluation and judging. An individual who submits an application on behalf of a business entity represents and warrants he or she has requisite authority to act on behalf of such entity.
2. All applications must be the original work of the applicant making the submission.
3. Partially completed applications will not be accepted. **Applications for the Competition are due by 5:00 P.M. EDT on July 15, 2020.**
4. Existing businesses may propose a new business that would have operations within the Grow-NY Region so long as the new business qualifies as a “business in the formative stage” under applicable New York law.
5. Applicants risk disqualification if they or someone on their behalf communicates with the

Reviewing Parties, beyond submitting applications and providing further data or information as requested, in an attempt to influence the Competition.

6. All questions regarding the interpretation of these Terms and Conditions and all issues or disputes which arise under these Terms and Conditions shall be conclusively determined by the Administrator, with the Administrator's decision being final and binding, and not subject to appeal.

7. Each applicant shall protect, indemnify, defend and hold harmless the Administrator, the University and its affiliates, and their trustees, officers, agents, employees, contractors and representatives and the State of New York (collectively, the "**Indemnified Parties**") from and against any and all liabilities, losses, claims, damages, judgments, penalties, causes of action, costs, and expenses (including, without limitation, attorneys' fees and expenses) imposed upon or incurred by or asserted against the Indemnified Parties resulting from, arising out of or relating to the applicant's participation in the Competition.

8. The Administrator shall have no responsibility or liability for agreements between applicants and third parties.

9. Application materials become the property of the Administrator.

10. Applicants (or their principals or affiliates) that engage in (a) immoral, illegal, or oth