

relative to the technology which the incubator space facilitated in development. Reimbursement shall apply only if 40% or more of the company's employment is transferred outside Maryland. Full reimbursement will apply to companies that leave the State of Maryland during the first two years after graduating from the incubator and shall be applied on a scale which declines to zero on the fifth anniversary of graduation. Such agreement is in addition to, not in lieu of, any existing contractual provision applicable to present users, provided that all entrepreneurs occupying incubator space shall agree in writing to reimburse the University 1-1/2 times the costs associated with space use and rental or to increase the University's equity holding in the company by 1-1/2 times if at any time within five years of graduation the company voluntarily relocates more than 40 percent of the company's total employment outside the State of Maryland. Full reimbursement shall apply to companies that exceed the out-of-state limit within two years of graduation from the incubator, 75 percent if within three years, 60 percent if within four years, and 25 percent if within five years. Provided, however, that for each year that an incubator graduate adds at least ten full-time Maryland resident employees, it shall offset for one year of subsidy repayment or increase in equity held by the University. The State of Maryland is vitally interested in attracting and retaining new businesses through a number of innovative programs such as incubator subsidies. The intent is not to penalize, but to provide incentive to companies to remain in Maryland.

Further provided that preference shall be given to clients graduating from State university affiliated incubators in the leasing of the approximately 54,000 net square feet of this facility intended for use by post-incubator companies. These clients shall be screened and identified by the Regional Incubator Board (Baltimore County).....

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- (C) Maryland Technology Center. Provide a grant to the Maryland Economic Development Corporation to assist in the construction of the Maryland Technology Center, provided that no funds may be expended until Montgomery County has developed a policy for incubator tenants which includes repayment of public subsidies in the event that the company leaves the State within five years of graduating from the incubator. The policy should be presented to the budget committees for review and comment.

Further provided that no space in this facility shall be made available for use by the Maryland Information Technology Center (MITC) and any space originally designed for the MITC should be reprogrammed to accommodate incubator tenants (Montgomery County).....

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- (D) Maryland State Welcome Center. Provide a grant to the Mayor