



Foundation, Inc.

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1. **Executive Summary**

For eighteen years, MdBio Foundation, Inc.,¹ a 501(c)(3) charitable organization, has been critical to the growth of Maryland's bioscience community and has established the MdBio brand that is recognized not only in the State of Maryland but throughout the U.S. and abroad. Through the breadth of its activities, the Foundation has supported Maryland bioscience companies as well as assisted in attracting bioscience companies to Maryland, while developing a national reputation for its highly innovative programs. Now part of the Technology Council of Maryland, MdBio Foundation continues to provide substantial support to the bioscience industry, an industry that is critical to the future of the State of Maryland.

The benefits afforded the State of Maryland and the City of Baltimore from the BioProcessing Center, a \$26.5 Million biotechnology manufacturing facility in East Baltimore owned by the Foundation, and from the activities and programs developed and implemented by MdBio Foundation, have far exceeded original expectations. The State has received significant financial benefit from the BioProcessing Center through: (i) the construction, expansion and operation of the BioProcessing Center, (ii) the multiple businesses that have operated the BioProcessing Center, (iii) the creation of highly skilled jobs at the BioProcessing Center in numbers greater than expected, which provided substantial financial and other benefits to Maryland, and (iv) the training of the next-generation of bioscience entrepreneurs and personnel who have fueled the growth of bioscience companies in Maryland. See Section 3 below.

In addition, the State has received substantial benefits through (i) the Foundation's highly innovative, state-of-the-art mobile bioscience laboratory, "MdBioLab," that has provided advanced educational opportunities for high school students and teachers throughout Maryland resulting in statistically measurable benefits, (ii) multiple other educational and workforce development programs supported by the Foundation, (iii) the financial and advisory assistance provided by the Foundation to bioscience companies in Maryland, and (iv) the Foundation's financial and other support of the State's presence at key industry conferences highlighting Maryland's prominence and capabilities in bioscience. These substantial benefits have been created and funded by MdBio Foundation from revenue derived from the lease payments from the BioProcessing Center.²

Clearly, MdBio Foundation has become a cornerstone of the bioscience community in Maryland. Its innovative educational programs for students and teachers, financial and advisory assistance to bioscience companies, job creation, and industry leadership at conferences worldwide have been of great value to the State of Maryland and its interest in attracting, retaining and supporting bioscience companies. MdBio Foundation has been a highly successful example of what a private-public partnership can do under the right circumstances and with strong leadership. The State of Maryland, as a conservative estimate, will have received over \$52 Million in direct financial return projected through 2020,³ on the State's original \$16.5 Million investment, notwithstanding the substantial private sector investment during the Center's operational history over and above the original \$26.5 Million cost.

¹ MdBio Foundation's prior corporate names were MdBio, Inc. and The Maryland BioProcessing Center, Inc.

² See Sections 1 and 3 of Sublease in Appendix.

³ Estimated return of \$33 million through 2008 and an additional \$19 million projected return for 2009-2020.

2. History

a. Private-Public Partnership. During the summer of 1989, the University of Maryland (Baltimore County), Johns Hopkins University, and Greater Baltimore Committee formed a committee of prominent business and academic leaders in Maryland to explore the concept of a state-of-the-art GMP bio-manufacturing facility in order to enhance Maryland's burgeoning bioscience industry and infrastructure.

To implement the private-public partnership, the group formed a charitable non-profit organization initially named The Maryland BioProcessing Center, Inc.⁴ The organization later was renamed MdBio, Inc. and then MdBio Foundation, Inc.⁵ Since its formation, the board of directors of MdBio Foundation has included prominent industry leaders in the State as well as representatives of the State of Maryland, University System of Maryland, and Johns Hopkins University. By charter, the Secretary of the Maryland Department of Business and Economic Development, the Chancellor of the University System of Maryland, and the President of Johns Hopkins University each may serve or may designate a representative to serve as a director of the Foundation.⁶

MdBio Foundation received its initial funds for planning and operations from several sources, including the Abell Foundation (www.abell.org) and Johns Hopkins University.

b. The BioProcessing Center. For the BioProcessing Center, the City of Baltimore provided MdBio Foundation with a 5-acre lot next to the 130-acre Johns Hopkins Bayview Research Campus pursuant to a long-term Ground Lease at \$1 per year and provided infrastructure improvements.⁷ The State of Maryland awarded the Foundation \$16.5 Million in grants,⁸ and the U.S. Department of Commerce awarded the Foundation a \$1.5 Million grant.⁹ The Groundbreaking Ceremony took place in October 1994, and the Ribbon Cutting Ceremony for the facility took place in October 1995. In total, approximately \$26.5 Million in private and public money was spent to build the BioProcessing Center. Since then, the private operators of the Center have invested substantial additional capital to maintain and upgrade the Center.

In 1992, MdBio Foundation began a search for a facility operator. The Foundation held extensive negotiations with a contract manufacturer and a health care company, neither of which was consummated. In 1994, MdBio Foundation signed a long-term Sublease with BioScience Contract Production Corp (BSCP), a contract manufacturing company led by Jacques Rubin.¹⁰ In 1990, Mr. Rubin founded a business to provide contract production services to the biotechnology industry. Although Mr. Rubin built his first facility in Rockville, his primary facility later became the BioProcessing Center. For the BioProcessing Center, BSCP initially invested over \$3 Million in cash plus substantial in-kind services valued at \$5 Million. As an incentive for BSCP to invest financial and other resources in the BioProcessing Center, MdBio Foundation was required in the Sublease to grant BSCP an option to purchase the Foundation's interests in the BioProcessing Center at a purchase price that declined over the years and eventually to \$1 Million.¹¹

MdBio Foundation has used the lease payments from BSCP and its successors to support the bioscience industry in the State of Maryland, as approved by the State of Maryland. The lease payments started at \$1 Million a year and rose to \$1.5 Million a year, a rate that remained constant for the balance of the sub-lease term. With the lease payments, MdBio Foundation has focused on developing and providing industry support programs

⁴ See Articles of Incorporation and Bylaws in Appendix.

⁵ See Certificate of Name Change in Appendix.

⁶ See Article Twelfth of Articles of Incorporation and Section 3.03 of Bylaws in Appendix.

⁷ Value: \$500,000. See Ground Lease in Appendix.

⁸ The State grants were awarded under 3 Grant Agreements in 1992 and 1994, all as amended by a Modification dated 1995. The Grant Agreements, the Modification and the Foundation's use of the proceeds were approved expressly by the Board of Public Works.

⁹ See Capital Projects Grant Agreements and Modification in Appendix.

¹⁰ See Sublease in Appendix.

¹¹ See Section 33 of Sublease in Appendix.

intended to advance the growth of bioscience in Maryland. Since its formation, the Foundation has been instrumental in the continued growth of Maryland's bioscience industry, providing companies with financial support, business development consulting services, cost-sharing and group purchasing opportunities, as well as education and workforce development programs. As a result, MdBio is a strong and highly recognized brand in Maryland as well as throughout the U.S. and abroad.

c. Technology Council of Maryland, Inc. Commencing in 2005 and concluding in 2006, and with the full support of the State of Maryland, MdBio Foundation and Technology Council of Maryland (TCM) discussed and negotiated a merger or consolidation for the purpose of unifying the voice of Maryland's bioscience industry under one umbrella. As a result of the restructuring, MdBio Foundation became a supporting organization to TCM, with senior bioscience executives within TCM having the right to appoint the directors of the Foundation.¹² By charter, the Secretary of the Maryland Department of Business and Economic Development, the Chancellor of the University System of Maryland, and the President of Johns Hopkins University continue to serve or to designate a representative to serve as a director of the Foundation.¹³ Also, by charter, a majority of the directors must be Maryland based biotechnology executives.

d. Lonza Group's Decision, MdBio Foundation's Response. By 2007, the leasehold interest in the BioProcessing Center was controlled by a subsidiary of Lonza Group Ltd. (www.lonza.com). In 2007, Lonza announced that it would cease operations at the BioProcessing Center. With the full support of the State of Maryland and the City of Baltimore, MdBio Foundation took the initiative to determine Lonza's future plans for the BioProcessing Center and the potential effect on the future use of the BioProcessing Center. Since the Sublease contained an option to purchase the BioProcessing Center at a very favorable purchase price (which eventually declined to \$1 Million), the Foundation was very concerned that Lonza would exercise its option to purchase and immediately resell the BioProcessing Center, placing the BioProcessing Center in the hands of an unknown third party for an unknown use while obtaining potentially a substantial economic windfall.¹⁴

In 2007, MdBio Foundation engaged Scheer Partners, a prominent Maryland real estate advisory firm, to assist the Foundation in reviewing options for the BioProcessing Center. The review took several months, and was discussed at multiple meetings of the Board of Directors in 2007 and 2008. The focus was on the future of the BioProcessing Center. Among other factors, the review included:

- (i) whether Lonza would obtain a substantial economic windfall by purchasing the BioProcessing Center and immediately reselling it to a third party (yes),
- (ii) whether the BioProcessing Center required substantial improvements to continue to be used as a GMP biotechnology manufacturing facility (yes),
- (iii) whether MdBio Foundation itself had or could obtain the resources to make those improvements (no, no),
- (iv) whether MdBio Foundation should approach Lonza to determine whether Lonza could be persuaded to give up the sublease and favorable purchase option (yes),
- (v) whether, if Lonza were to give up the sublease, MdBio Foundation should seek to lease or sell the BioProcessing Center to a third party that would invest substantial resources to upgrade the GMP facility and would be expected to operate it as a GMP facility (yes), and
- (vi) how much, if Lonza were to give up the sublease, would MdBio Foundation incur to maintain the BioProcessing Center until a third party was located to lease or buy the BioProcessing Center (substantial).

¹² See Articles Fourth and Twelfth of Articles of Incorporation and Sections 1.02 and 3.03 of Bylaws in Appendix.

¹³ See Article Twelfth of Articles of Incorporation and Section 3.03 of Bylaws in Appendix.

¹⁴ See Section 33 of Sublease in Appendix.

On July 18, 2007, several representatives from MdBio Foundation along with representatives from the State of Maryland and City of Baltimore met with several Lonza representatives to discuss Lonza's future plans for the BioProcessing Center. This first meeting initiated the lengthy process and negotiations that led to an agreement by which, in exchange for a substantial termination fee paid by MdBio Foundation and multiple months of rent abatement, Lonza agreed to terminate the sublease, effective as of October 31, 2008. The Foundation has been maintaining the facility at a substantial cost since its vacancy in 2008. Throughout this process, MdBio Foundation has devoted substantial resources and time to determining the future use of the BioProcessing Center.

With the sublease terminated, MdBio Foundation controls the BioProcessing Center and is able to determine the Center's future use for the benefit of the bioscience community and the State of Maryland. With the assistance and support of the State of Maryland and City of Baltimore, MdBio Foundation, through Scheer Partners, has been searching for an appropriate third party to operate the BioProcessing Center, to make the necessary investments in the BioProcessing Center, and to continue its historic use as a bioscience manufacturing facility.¹⁵

3. **Substantial Financial Benefit from Construction, Expansion and Operation of BioProcessing Center**

The State of Maryland has received substantial direct financial benefit from the construction, expansion and operation of the BioProcessing Center. Even though the original rationale for the BioProcessing Center was to build a biotechnology manufacturing facility to support Maryland's biotechnology community, the direct financial benefit has exceeded the investment and will continue to offer a solid return to the State.¹⁶

a. Job Creation. The construction and later expansion of the BioProcessing Center created a substantial number of jobs in the City of Baltimore. In addition, the ongoing operation of the BioProcessing Center created a considerable number of jobs, many of which were highly specialized and highly paid. The initial plans estimated that the BioProcessing Center would provide employment for approximately 35-65 individuals. As it turned out, however, the operator of the BioProcessing Center employed over 200 people at times, while operating multiple shifts. Moreover, one operator expanded to an 80,000 square foot warehouse and lab facility across the street doubling the operator's space. Finally, a substantial number of the individuals employed at one time at the BioProcessing Center continue to work in the bioscience industry in Maryland, having obtained highly specialized skills at the BioProcessing Center.

b. Individual Income Taxes on Employee Wages. It is estimated that the operator of the BioProcessing Center directly employed, on the average, 150 employees for the 13 years 1996 through 2008. It is also estimated that the wages earned directly, indirectly or induced by the operator of the BioProcessing Center created approximately \$14.6 Million in State and City individual income taxes for the years 1996-2008.

c. Corporate Income Taxes on Operator of BioProcessing Center. Operators of the BioProcessing Center paid corporate income taxes from their operations at the BioProcessing Center, though we understand that the initial operator had losses in the first few years of operation. We are unable to obtain an estimate of those taxes, as they are confidential. We understand, however, that BSCP, the original operator of the BioProcessing Center, had revenues of at least \$20 Million a year by 2001, creating perhaps \$1 Million in Maryland income taxes. In addition, ownership of the operator with the leasehold interest in the BioProcessing Center changed several times, producing additional corporate taxes in Maryland. In April 2001, Cambrex Corporation based in New Jersey announced its intention to acquire BSCP, the operator of the BioProcessing Center, for \$120 Million in cash, the assumption of \$12 Million in debt, and potential earn-out payments totaling \$25 Million. We estimate that this one transaction may have created \$10 Million or more in Maryland corporate income taxes. Further, several years later, in February 2007,

¹⁵ See Article V and Section 19.1 of Ground Lease in Appendix.

¹⁶ The direct financial benefits described in Section 3 are in addition to those provided by MdBio Foundation itself and do not include (i) the activities and programs supported by MdBio Foundation, (ii) the jobs created by MdBio Foundation and the companies and organizations who received financial support from MdBio Foundation or (iii) the income and other taxes paid by employees of MdBio Foundation and the companies and organizations.

Cambrex Corporation (www.cambrex.com) sold some businesses, including the business that operated the BioProcessing Center, to Lonza Group (www.lonza.com) for \$460 Million in cash. We are unable to estimate the Maryland corporate income taxes created by this transaction, but we believe it was substantial.

d. Real Property Taxes. Commencing with Fiscal Year 1997, almost \$1.8 Million has been paid to the City of Baltimore and the State of Maryland in real property taxes alone as a result of the improvements made to 5901 East Lombard Street. Including the real property taxes paid on the adjacent 5500 East Lombard Street that arose from the expansion needs of the tenants at 5901, almost \$2.1 Million has been paid in real property taxes.

In sum, since its inception, the BioProcessing Center itself has provided, in aggregate, on the conservative side, over \$33 Million in direct financial benefit to the State of Maryland. Similarly, a conservative estimate of the financial benefits to be provided through 2020 from the Center is an additional \$19 Million, totaling over \$52 Million, in aggregate, in direct financial benefits. See table below. These direct financial benefits do not include (i) the other activities and programs supported by MdBio Foundation, (ii) the jobs created by MdBio Foundation and the companies and organizations who received financial support from MdBio Foundation or (iii) the income and other taxes paid by employees of MdBio Foundation and the companies and organizations.

We summarize the direct financial benefits below. While we include below estimates for the years 2009-2011 and 2012-2020, we do not have detailed information on the potential acquirer's plans for the BioProcessing Center.¹⁷

Partial Summary of Direct Financial Benefit from BioProcessing Center

	<u>1994-1995 (2)</u>	<u>1996-2008 (13)</u>	<u>2009-2010(2)</u>	<u>2011-2020 (10)</u>
<u>Employment</u>				
Construction/Improvement	Unknown	Unknown	Unknown	Unknown
Operation	N/A	150 average	20 average	130 average
<u>Wages/Benefits</u>				
Construction/Improvement	\$10 Million	\$4 Million	\$3.5 to \$7 Million	Unknown
Operation	N/A	\$228.1 Million	\$5.5 Million	\$202.8 Million
<u>Individual Income Taxes</u>				
Construction/Improvement	\$600,000	\$250,000	\$210,000 to \$420,000	Unknown
Operation	N/A	\$14.6 Million	\$326,000	\$12.2 Million
<u>Real Property Taxes</u>				
Baltimore	Unknown	\$2.1 Million	\$320,000	\$1.6 Million
<u>Business Income Taxes</u>				
Construction/Improvement	Unknown	Unknown	Unknown	Unknown
Operation	N/A	\$5 Million	Unknown	\$5 Million
Sale	N/A	\$10 Million (2001 only)	N/A	Unknown

¹⁷ Estimates for 2009-2011 and 2012-2020 are not based on information provided to us by the potential acquirer; they are based solely on our experience with the BioProcessing Center.

4. **MdBio Foundation's Substantial Financial Support of Maryland's Bioscience Industry**

a. **Financial Awards to Maryland Bioscience Companies.** Since 1998, MdBio Foundation has awarded more than \$3.8 million to more than 30 bioscience companies based in Maryland. By providing financial support to mostly early stage bioscience companies in Maryland, the Foundation has assisted Maryland bioscience companies with their growth and product development. MdBio Foundation has provided financial support to bioscience companies in Maryland with two (2) purposes: (i) to assist their growth and (ii) to provide an additional revenue base for the Foundation's future operations. In return for awards averaging \$100,000, the Foundation has taken either (i) equity positions in the companies, (ii) royalties on the companies' revenues or (iii) some combination of the two. So far, the Foundation has had some success from these awards. MdBio Foundation has received, in the aggregate over the years, approximately \$1.7 Million from these Maryland bioscience companies.

b. **Investment in Maryland Public Companies.** As part of its investment policy, MdBio Foundation holds a minimum number of shares in each publicly traded bioscience company based in the State of Maryland.

5. **MdBio Foundation's Highly Innovative Educational Activities in Maryland**

a. **MdBioLab: MdBio Foundation's Mobile Laboratory.** MdBio Foundation's flagship education program, *MdBioLab: A Mobile Bioscience Education Laboratory for Maryland High Schools*, was launched in 2003 through an initial partnership of MdBio Foundation, University of Maryland Biotechnology Institute (UMBI), and The Institute for Genomic Research (TIGR). Since then, the Foundation's mobile laboratory (in the form of a custom built 60-foot tractor trailer equipped with 16 state-of-art lab benches) has visited every county in Maryland, held over 2,800 classes, and welcomed over 55,000 students and 1,500 teachers from every county in Maryland. For example, for the most recent school year (2008-9), MdBioLab visited 31 schools in 15 counties in Maryland, and welcomed over 8,100 students.¹⁸

MdBioLab's primary focus has been to increase bioscience knowledge and awareness among high school students through this innovative method of student and teacher interaction. MdBioLab also shows students the variety of career pathways available in bioscience. Since its opening in 2003, as shown by data obtained by an independent evaluator, students who participate in an MdBioLab class consistently show a statistically significant increase in science knowledge and express positive feelings toward the experience. The Foundation is a regular participant at Mobile Laboratory Coalition Conferences, ensuring its access to the best practices in mobile laboratory programs. In addition to the start-up costs for MdBioLab, MdBio Foundation spends approximately \$450,000 a year to operate MdBioLab, which is staffed permanently by two full-time science teachers.¹⁹

Since 2003, MdBio Foundation has partnered with the Maryland State Department of Education on the Maryland Governor's Academy for Biology. The Academy is designed (i) to help teachers strengthen their content knowledge, (ii) to improve student performance on the Biology High School Assessment (HSA), and (iii) to expand the professional learning community among biology teachers. The Foundation's role has been a workshop on *Wildlife Forensics* using MdBioLab.

As a follow-up to the MdBioLab curriculum, MdBio Foundation has worked with UMBI to start the Maryland Loaner Lab Program, which provides equipment, reagents and supplies for laboratory activities in the high school classroom. MdBio Foundation gave \$54,225 and many sets of equipment to UMBI in December 2003 for the Maryland Loaner Lab Program. The Program continues to be popular and useful among teachers who have

¹⁸ See Photographs of MdBioLab in Appendix.

¹⁹ MdBio Foundation's receipt of lease payments from operators of the BioProcessing Center has been critical to the ongoing operation of the MdBioLab. The annual costs for MdBioLab of approximately \$450,000 include expenses associated with the truck, lab equipment and supplies and salary and benefits for a full-time manager and two (2) full-time teachers.

experiences the MdBioLab. Through the Program, more than 20,000 students in Maryland have been able to experience more sophisticated laboratory activities in their classrooms.

b. MdBio Foundation's Other Educational Activities. In addition to innovative classroom and laboratory teaching methods, MdBio Foundation has provided multiple science education videos, bioscience theater performances, and educational and professional development opportunities for high school students and those employed in bioscience.

In 2008, the video, *Careers in Bioscience*, was provided to schools in Maryland and the District of Columbia via an interactive DVD and supporting classroom materials. The video explores a variety of available opportunities in the bioscience industry. The video is divided into six (6) segments covering discovery research, product development, manufacturing, business development, corporate administration, and entrepreneurship. The video initially was distributed to 350 schools and since then has been distributed to 300 additional individuals, organizations and classrooms. The video production costs, materials and shipping cost \$100,000, which MdBio Foundation funded. A previous career video was produced in 1999. This 10-minute VHS career video and accompanying lesson plan, *Bioscience: Real Jobs, Real People*, and was sent to over 250 Maryland and DC public and private schools. MdBio Foundation spent \$35,000 to produce and distribute the earlier video.

MdBio Foundation also produced the two-part video called *Bioethics of Genetic Testing*. The video explores the issues surrounding genetic testing. Part One contains National Cancer Institute's *Understanding Gene Testing*, a 30-minute segment that features a series of slides that look into the science underlying genetic testing. Part Two discusses a series of social and legal questions that society must answer. An accompanying lesson plan guides students through an examination of bioethical dilemmas.

In 2000, MdBio Foundation provided \$15,000 to support a tour of the show *Honey & Sting* produced by Bethesda Academy of Performing Arts (BAPA), now known as Imagination Stage (Bethesda, Md) (www.imaginationstage.org). Imagination Stage produced a play about genetics that addressed the many ethical issues involved with gene therapy. For several years, MdBio funded 10-15 performances in Maryland high schools and at the conclusion of each performance fielded questions and comments from the audience, typically high school juniors and seniors.

Honey & Sting was preceded by *The Cutting Edge*, another Imagination Stage play about the then latest developments in bioscience and the benefits, as well as potential social and ethical dilemmas that might be faced by society. *The Cutting Edge* was performed before members of Congress and NIH scientists and included a panel of medical ethicists to discuss the implications highlighted in the play. The NIH also funded conversion of the play into a video production that was subsequently distributed to Maryland high schools through the funding of MdBio Foundation. MdBio Foundation contributed ten grants in 2002 and 2003 to fund the live performances in various educational venues throughout Maryland. The funding also covered the publication of a teacher's guide and post-performance discussions on the bioethics of genetic testing.

To assist schools and teachers in locating appropriate speakers on science subjects, MdBio Foundation organized an online searchable database of more than 50 volunteers from Maryland's bioscience community called *SpeakerSearch*. *SpeakerSearch* provided contact information for volunteer speakers on a wide range of topics. In addition, all volunteer speakers participated in speaking skills workshop. The speakers are available to speak to classes on appropriate science subjects.

MdBio Foundation has funded and participated in several summer science camps including Young Science Explorers Program (UMBI at Inner Harbor) (2009), Montgomery College's Career Camp (2005, 2006, 2007 & 2008) and Walkersville Middle School (2005). The Foundation has also funded several scholarships at Maryland educational institutions, including Montgomery College.

MdBio Foundation also funded over 700 classroom sets of *Your World* magazine, a magazine exploring the latest breakthroughs in bioscience. The magazine is geared to students in middle and high school. The magazine has covered such topics as HIV, The Human Genome Project, and the brain. MdBio Foundation provided the funding to send a printed copy of *Your World* to all Maryland Biology classrooms. The magazine is now available only online.²⁰

MdBio Foundation has been the Maryland State Sponsor for BioGENEius, a highly competitive high school science competition run by The Biotechnology Institute.²¹ The Foundation supports the two Maryland finalists (only two finalists per state) who advance to one of the six Regional Competitions in the United States. Students give poster presentations at the Regional Competitions, and the top two finalists in each US region participate in the International Competition held during the annual BIO International Convention.

MdBio Foundation has been also involved in educational and professional development beyond high school. In 1999 and 2000, MdBio Foundation contributed more than \$35,000 for workforce training programs organized by various Maryland organizations. In addition, MdBio Foundation sponsored and organized the Post-Doc Conference and Career Expo (2006, 2007 and 2008). The National Institutes of Health was also involved. This event has been held each year at different venues in Maryland with increasing attendance each year. MdBio Foundation also sponsored *Science's* Next Wave's Program, Interviewing Skills for Scientists in 2002.

6. **MdBio Foundation's Support of Maryland's Presence at Key Industry Conferences**

a. **Mid-Atlantic Bio.** MdBio Foundation was a founding member of the Mid-Atlantic Bio Coalition that was formed for the purpose of hosting a single annual regional conference focused on the bioscience industry and its related academic institutions, government bodies, and investor organizations. The other founding members include Mid-Atlantic Venture Association (MAVA) (www.mava.com), Virginia Biotechnology Association (VaBio) (www.vabio.org), and Technology Council of Maryland (pre-consolidation) (www.techcouncilmd.com).

The Coalition held its first conference in 2005. Mid-Atlantic Bio (www.midatlanticbio.org) is one of the most unique and comprehensive opportunities for industry executives, researchers, academics, governmental personnel, investors, entrepreneurs, and sponsors to network and obtain highly useful information about bioscience. The Coalition will hold its fifth Mid-Atlantic Bio Conference in November 2009. MdBio Foundation continues to be a key participant in this event, which attracts more than 850 top bioscience leaders and investors, including more than 200 companies and 50 investment funds, representing 22 states and 7 foreign countries. Bioscience executives, researchers, academics, governmental personnel, investors, entrepreneurs and service providers consider Mid-Atlantic Bio to be their "*must-attend*" event of the year. Mid-Atlantic Bio has become one of the top regional bioscience conferences in the United States.

b. **BIO International Convention.** Since the mid-1990's, MdBio Foundation has supported the annual BIO International Convention, the principal industry conference organized by the industry's leading trade association, Biotechnology Industry Organization (BIO) (www.bio.org). In particular, MdBio Foundation has supported financially, and otherwise, the State of Maryland's significant presence at the annual BIO International Convention, which is a strong marketing tool for maintaining the State's strong bioscience presence among the multiple states vying to attract and retain bioscience companies. MdBio Foundation's support has included sponsorship, access to the Convention for smaller companies, and educational materials and videos on the bioscience industry in Maryland.

²⁰ www.BiotechInstitute.org/resources/your_world_magazine.html

²¹ www.BiotechInstitute.org/programs/biogeneius_challenge.html

7. **MdBio Foundation’s Provision of Assistance to Maryland Companies**

Over 300 bioscience companies in Maryland have received assistance from one of MdBio Foundation’s business development consultants. The educational and professional assistance has included a review of business plans, presentations and other collateral material, and help in identifying the most appropriate investment sources. In all cases, the assistance has been provided free of charge to Maryland bioscience companies. MdBio Foundation also has assisted Maryland companies in locating other companies, universities and federal laboratories that might be potential research collaborators or strategic partners, and cultivating relationships with them, whether those partnerships be within Maryland or across the country and around the world.

8. **MdBio Foundation’s Reports on the State of Maryland’s Bioscience Industry**

MdBio Foundation has produced four (4) educational reports on the state of the Bioscience Industry in Maryland. First published in 1998, the primary goal of these reports has been to measure industry performance. Each report also has a unique theme. Each examines particular aspect of the industry and provides information about Maryland companies and their products and about research being undertaken at Maryland universities.

The report themes have been:

Critical Mass: A look at the size, economic impact, and infrastructure of Maryland’s bioscience Industry (1998)

Measuring Success: A look at what it means to be a successful bioscience company (2001)

Looking In, Reaching Out: A look at collaborations between Maryland companies and companies around the world (2003)

Taking Care of Business: An examination of best business practices in several Maryland bioscience companies (2007)

The reports have been produced at the Foundation’s expense and have been distributed widely, without charge (other than postage and handling), to all interested parties. The reports have been extremely well received and useful references for the bioscience community.

9. **MdBio Foundation’s Support of Other Educational, Professional, and Science Institutions.**

MdBio Foundation has provided over \$800,000 in sponsorships and grants to educational, professional, science and other institutions, all in the name of Maryland’s bioscience industry. The recipients include:

American Association for Advancement of Science	Johns Hopkins University School of Medicine
Alexander Graham Bell for the HiTech Legend	Montgomery College Foundation
Bethesda Academy of Performing Arts (www.ImaginationStage.org)	Montgomery County DED
BioAgenda Institute (BioAgenda 2007 Summit: East)	Port Discovery Children’s Museum (Baltimore) www.portdiscovery.org)
BIO-Asia Partnering Conference	Rockville Economic Development
Biotechnology Industry Organization (BIO)	Towson University Foundation
Biotechnology Institute (www.BiotechInstitute.org)	University of Maryland Foundation

Boy Scouts of America	UMBC & UMBC Foundation
Clone Your Lunch – workshops	UMBI
Dingman Center - University of Maryland	USM Foundation, UMBI
Fort Detrick Alliance (www.FortDetrickAlliance.org)	UMBV-OIA
Greater Baltimore Tech Council (www.gbtechcouncil.org)	UMUC
Genetic Alliance (www.GeneticAlliance.org)	University Startups Conference
Greater Washington Board of Trade (www.bot.org)	Women In Bio (www.WomenInBio.org)
International Society for Pharmaceutical Engineering (www.ispe.org)	Young Women In Bio

In summary, MdBio Foundation has become a cornerstone of the bioscience community in the State of Maryland. MdBio has established a strong brand as the organization that represents the Maryland bioscience community. Its innovative educational programs for students and teachers, financial and advisory assistance to bioscience companies, job creation, and industry leadership at conferences worldwide, have been of great value to the State and its interest in attracting, retaining, and supporting bioscience companies. Elected officials, as well as the media, frequently rely and call upon MdBio Foundation for advice and information on innovative technologies and new initiatives that affect the State's many stakeholders, including hospitals, academic institutions and financial organizations, in addition to the general public. Moreover, MdBio Foundation has been a highly successful example of what a private-public partnership can do under the right circumstances and with strong leadership. The State of Maryland, as a conservative estimate, will have received over \$52 Million in direct financial return projected through 2020,²² on the State's original \$16.5 Million investment, notwithstanding the substantial private sector investment during the Center's operational history over and above the original \$26.5 Million cost.

Attachments

²² Estimated return of \$33 million through 2008 and an additional \$19 million projected return for 2009-2020.