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Mr. Marc Nevinski,
Community Development Director
City of Coon Rapids
11144 Robinson Drive
Coon Rapids MN 55433

Phase II Proposal: Preparation and Implementation of Action Plan for the Development Program for the Proposed Coon Rapids Incubator Program

Dear Marc:

Genesis was pleased to have received the Phase I contract to prepare a Preliminary Feasibility Study for a Proposed Incubator Program for the City of Coon Rapids, Minnesota. Further, Genesis is pleased to note that the Preliminary Feasibility Study was favorable in its conclusions and received an encouraging response from several of the elected officials as well as the professional staff of the City of Coon Rapids. Based upon the recent meeting with the Mayor and Staff, Genesis is pleased to provide this proposal for review and consideration.

PROPOSAL FOR PHASE II

Genesis proposes to build on the resources and pathways identified in the Phase I report. The goal of Phase II is to identify and obtain the resources necessary to establish and successfully launch the proposed Coon Rapids Incubator Program.

Program Funding - Genesis will identify and recruit additional prospective sources for funding including but not limited to grants that would be utilized to help pay for the operational costs of the proposed incubator program during the initial two year start up phase. Operational costs will include consultants' fees and rent for the office/warehouse/laboratory space to be provided in the Incubator Program.

Seed Capital - Genesis will identify and recruit both new and existing sources of seed capital investment funds for the companies that will be entering the incubator program.

- Working to revitalize the *Anoka Sherburne County Capital Fund*
- Working to reactivate the *Anoka Investors LLC Investment Club*
- Working to establish linkages with the various Angel Investor Groups in the twin cities including the Minnesota Angel Capital Network (BBAM Affiliate) and several other programs currently being established.

If the *CrowdFunding* legislation is approved by Congress, Genesis Business Centers will then work to establish a local program to facilitate entrepreneurial access to capital that could be known as the *Coon Rapids Capital Connection*. *CrowdFunding* is the popular phrase for a

streamlined and *user friendly* program that would eliminate the onerous and costly provisions of the Sarbanes Oxley Act as well as certain Securities and Exchange Commission rules/regulations that hamper small business access to the capital markets.

Real Estate - Genesis will continue to work with the previously identified building owners as well as to continue to identify and recruit additional suitable buildings owners that have a *double bottom line* and would be willing to consider offering special rates for rental in their building(s) for the tenants in the incubator program as a means of both filling their buildings and helping the overall economy in the City of Coon Rapid.

Marketing - Genesis will work to generate suitable publicity coverage for the Incubator Program working with both traditional and electronic media outlets locally, nationally, and internationally. Genesis will develop collaboration programs with LifeScience Alley, BioBusiness Alliance of Minnesota, DEED, Defense Alliance of Minnesota, REAP, Greater MSP, and the following bi-national Chambers of Commerce in order to offer Coon Rapids as a 'soft landing' site for foreign companies:

- American Israel Chamber of Commerce of Minnesota
- Canadian Consulate in Minneapolis
- Finnish American Chamber of Commerce of Minnesota
- French American Chamber of Commerce of Minnesota
- German American Chamber of Commerce of Minnesota
- Norwegian American Chamber of Commerce of Minnesota
- Swedish American Chamber of Commerce of Minnesota
- TiE (India and Minnesota)

Genesis will continue its efforts to promote a dialogue between the City of Trollhattan, Sweden and the City of Coon Rapids towards a possible Sister City Agreement.

Recruitment of Community Volunteers - Genesis will identify and recruit prospective business and professional domain experts from the community who would be willing to serve on an Advisory Committee that would function in a Liaison capacity between the City of Coon Rapids and the Incubator Program Manager.

COST

Genesis proposes to work on the above stated list of deliverables under a Professional Services Contract in the amount of \$ 17,500. The Contract would provide for a \$10,000 initial retainer that would be followed by a payment of \$7,500 upon the completion of the above identified deliverables as documented by a Phase II Report with delivery anticipated within 180 days of the signing of the Contract associated with this proposal.

Marc, we look forward to the possibility of working with you and the other members of the professional staff and the Mayor to make Coon Rapids the Epicenter of Entrepreneurial Activity in the realm of the emerging lifesciences and high tech entrepreneurship with Coon Rapids becoming the obvious and compelling location in the twin cities where start-up companies are both welcome and encouraged to begin their operations.

Best regards

Harlan T. Jacobs
President