

BUSINESS SUBSIDY AGREEMENT

THIS BUSINESS SUBSIDY AGREEMENT is made and entered into as of the ____ day of _____, 2012, by and between the Economic Development Authority in and for the City of Coon Rapids (the “City”) and American Preclinical Services LLC, a Minnesota Corporation (the “Company”). The provisions herein constitute the “business subsidy agreement” for purposes of the Minnesota Business Subsidy Act (Minnesota Statutes Sections 116J.993-995 and its successor statute.)

Section 1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

(a) “Benefit Date” means the date when the Company occupies the Project, but shall be no later than December 31, 2012.

(b) "City" means the Economic Development Authority in and for the City of Coon Rapids.

(c) “Compliance Date” means the date that is three (3) years after the Benefit Date.

(d) “Company” means American Preclinical Services, a Minnesota corporation.

(e) "Development Property" means the real property and improvements thereon located at 8960 Evergreen Boulevard in Coon Rapids, Minnesota.

(f) "Initial Disbursement Date" means the date of the first disbursement of any Grant Proceeds by the City to the Company.

(g) “Jurisdiction” means a city or township.

(h) "Grant" means the funds Granted by the City to the Company pursuant to the Grant Agreement.

(i) “Grant Agreement” means the agreement and documents stating the terms and conditions of the Grant.

(j) "Grant Proceeds" means the funds disbursed to the Company pursuant to this Agreement and any proceeds thereof.

(k) "Project" means the Company’s substantial rehabilitation of 20,000 square feet of space at the building located at 8960 Evergreen Boulevard, Coon Rapids, MN 55433.

Section 2. Agreement. In accordance with Minnesota’s Business Subsidy Act, the Company is receiving under the terms of this Agreement government assistance under the following terms.

(a) The subsidy provided to the Company includes a \$350,000 grant made hereunder which will be used for construction of the Project.

- (b) The public purposes and goals of the subsidy are to retain and create high paying jobs in the bioscience sector within Coon Rapids.
- (c) The goals for the subsidy are to retain 75 jobs and create 40 new jobs, on or before December 31, 2013.
- (d) The 56 new jobs must have an average wage of \$19.00 per hour, which excludes the cost of benefits.
- (e) If the goals are not satisfied, the Company shall make payment to the City as required by the Grant Agreement.
- (f) The subsidy is needed because the current economic conditions make the Project unfeasible without the Grant.
- (g) The Company must continue operations in the jurisdiction for at least five years following the Benefit Date.

Section 3. Reporting. On or before March 1 of each year, the Company shall provide to the City information regarding goals and results for three years after the benefit date or until the goals are met, whichever is later. This reporting requirement will expire if the goals are met by the Compliance Date. If the goals are not met, the Company must continue to provide information on the Grant until the Grant is repaid. If the report is not submitted by March 1, the City shall mail the Company a warning within one week of the required filing date. If, after 14 days of the postmarked date of the warning, the Company fails to provide a report, the Company must pay to the City a penalty of \$100 for each subsequent day until the report is filed. The maximum penalty shall not exceed \$1,000. The Company shall document the following information in reports to the City:

- (a) The type, public purpose, and amount of the subsidy;
- (b) A statement of goals identified in the subsidy agreement and an update on achievement of those goals;
- (c) The location of the recipient prior to receiving the business subsidy;
- (d) If the company has a parent corporation, the name and address;
- (e) A list of all financial assistance by all grantors for the project; and
- (f) Other information the City may request.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and the Company has caused this Agreement to be duly executed in its name and behalf as of the date first written above.

**ECONOMIC DEVELOPMENT
AUTHORITY IN AND FOR
THE CITY OF COON RAPIDS**

By _____
Tim Howe, Chair

By _____
Denise Klint, Secretary

Approved By:

**AMERICAN PRECLINICAL
SERVICES LLC, a Minnesota Corporation**

By _____

Name _____

Its _____