

Business Subsidy Agreement

This Business Subsidy Agreement (the "Agreement") is dated as of _____ and is between the City of Stewartville, Minnesota (the "City"), and _____.

The City and _____ recognize and agree that the City assistance to _____ under that certain Development Agreement (the "Development Agreement"), dated as of _____, between said parties is a "business subsidy" under Minnesota Statutes, Sections 116J.993 through 116J.995, as amended (the "Subsidy Law"), and is subject to the provisions thereof, including without limitation reporting requirements and five year commitment by _____.

The basic terms and description of the subsidy under the Development Agreement are that the City would _____, resulting in a subsidy of approximately \$_____, with the agreement that _____ would _____.

Accordingly, it is agreed:

The estimated fair market value of the subsidy is \$_____. The type of the subsidy is _____. The subsidy relates to _____ construction of the Facility and lease thereof to _____.

The public purposes of the subsidy are to further development of the business park and to increase the City's tax base.

For purposes of Section 116J.994, Subdivision 3, of the Subsidy Law, the goals of the subsidy are _____ completion of the Facility and its leasing thereof _____ for at least five years after the "Benefit Date" of the subsidy, as defined in the Subsidy Law, which is hereby determined to be the actual date of closing on the City's sale of the land to _____.

For purposes of the Subsidy Law, the subsidy is considered to be a forgivable loan to _____ from the City. The City and _____ agree that a material default by _____ under this Agreement shall be a default under the Development Agreement to the same extent as though expressly stated therein and shall entitle the City to exercise any and all remedies the City may have upon such default under the terms of the Development Agreement, including without limitation applicable financial remedies/obligations.

In addition, as required by Section 116J.994, Subdivision 6, if _____ is in default under this Agreement, subject to any remedial provisions of the Subsidy Law as may be applicable, _____ shall be obligated to repay all of the assistance plus interest at

the implicit price deflator, as defined under Minnesota Statutes, Section 275.70, Subdivision 2, with (in order to avoid over-repayment) credit against such repayment liability for any repayments made under the Development Agreement. The subsidy is needed in order to induce _____ to complete the Facility in the City. _____ covenants that it will continue to lease the Facility _____ for at least five years after the Benefit Date.

_____ represents that it has no parent corporations.

_____ represents that the following are all of the State of Minnesota and "local government agency" grants (other than the subsidy hereunder) to the Facility:

Grantor	Value (\$)
Grantor	Value (\$)

_____ represents that it is not in default on the date hereof on any subsidy agreement entered into by _____ under the Subsidy Law.

The City has determined after public hearing that, for purposes of the Subsidy Law and this Agreement, creation or retention of jobs is not a goal of this subsidy, and therefore no specific wage and job goals are required under this Agreement.

_____ shall complete and file with the City from time to time the report in the form of the attached Exhibit A. The Subsidy Law provides that if _____ does not make such reports, when due, the City must mail _____ a warning within one week of the required filing date, and if, after 14 days after the postmark date of that warning, _____ continues to fail to report, then _____ is required to and shall pay the City a penalty of \$100 for each subsequent day until the report is filed, up to a maximum of \$1,000. _____ shall file these reports with the City, in care of its Assistant Administrator, (1) on March 1 of each year, beginning with the March 1 immediately following the Benefit Date, and (2) within 30 days after the "Compliance Date," hereby defined to be the date which is two years after the Benefit Date. Each March 1 report shall report on the prior calendar year, and each other report shall report on the period since the last reporting period.

This Agreement is intended to be the "subsidy agreement" required by Section 116J.994, Subdivision 3, of the Subsidy Law. In the event that any provision of this Agreement is inconsistent or in conflict with any provision of the Subsidy Law, and in the event that any provision of the Subsidy Law provides additional requirements, the

provisions of the Subsidy Law shall apply and govern. In addition, _____ agrees to provide the City with any additional information which may be required in order for the City to comply with its reporting requirements, as they may exist or be amended from time to time, under the Subsidy Law.

Nothing in this Agreement is intended to limit the terms of the Development Agreement. To the extent that provisions herein are more extensive or restrictive than any related term in the Development Agreement and to the extent said terms herein are required by the Subsidy Law, the provisions hereof shall govern. The above commitment of _____ to lease the Facility to _____ for at least five years from the Benefit Date is a requirement of the Subsidy Law (subject to procedures therein allowing relaxation or waiver of said requirement) and shall apply and govern. By the same token, however, said five year commitment shall not limit a longer commitment, if any, made by Deutsch under the Development Agreement.

IN WITNESS WHEREOF, the City and _____ have duly executed this Agreement by their duly authorized representatives.

CITY OF STEWARTVILLE

By: _____
Mayor

Attest: _____

Exhibit A
Report by _____ as Recipient of Business Subsidy

This report is required by that certain Business Subsidy Agreement, dated as of _____ (the "Agreement"), between the City of Rochester, Minnesota (the "City"), and _____, and as required by Minnesota Statutes, Section 116J.994, Subdivision 7, as amended. Capitalized terms which are used but not otherwise defined in this report have the meanings given to those terms under the Agreement.

The City has granted a certain business subsidy to _____ consisting of the sale of certain land at less than its estimated fair market value.

Under the Agreement, _____ is required to file reports with the City's Administrative Assistant (1) on March 1 of each year, beginning with the March 1 immediately following the date of the Agreement, being referred to herein as the Benefit Date, and (2) within 30 days after the Compliance Date, namely, the date which is two years after

the Benefit Date. Each March 1 report is required to report on the prior calendar year, and each other report shall report on the period since the last reporting period.

There are no jobs and wage goals under the Business Subsidy Agreement.
_____ hereby certifies to the City the following:

As provided in the Agreement, the fair market value of the subsidy is estimated to be \$_____, the type of subsidy is contribution of real property, and the public purposes of the subsidy are to further development of the business park and to increase the City's tax base.

_____ completion and operation of the Facility does not involve the relocation by _____ of any of their facilities located elsewhere but did involve the relocation of _____ from elsewhere in the City due to space limitations at that previous site. _____ has no parent corporations.

Other than the subsidy provided by the City under the Agreement, there are no other State of Minnesota or "local government agency" grants of subsidy to _____ for the Facility, except for:

Grantor	Value (\$)
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Grantor	Value (\$)
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_____ hereby agrees to provide upon request such other information as the Commissioner of the Department of Trade and Economic Development of the State of Minnesota may request the City or _____ to provide or as may be required by the Subsidy Law.

_____ represents that it has continuously leased the Facility to _____ since its completion and expects said lease and occupancy to continue for the foreseeable future.

_____ is not in default on the date hereof of its obligations under any subsidy agreement under the Subsidy Law.