

GRANT AGREEMENT

This GRANT AGREEMENT (this “**Agreement**”) is entered into this ____ day of _____, 2017, by and between Wake County, North Carolina, a body politic and corporate of the State of North Carolina (hereinafter referred to as the “**Local Unit of Government**”), and the North Carolina Biotechnology Center (hereinafter referred to as the “**Center**”).

This Agreement defines the parameters for distribution of an economic development award from the Center to the Local Unit of Government to support job creation through Project Braavos (the “**Project**”) in collaboration with a life science company (hereinafter referred to as the “**Company**”).

For purposes of this Agreement, the following definitions shall apply:

Award Letter of Intent: The letter provided by the Center to the Local Unit of Government and the Company indicating the Center’s intent to award the Grant.

Performance Agreement: The Performance Agreement between the Local Unit of Government and the Company. This Agreement outlines the parameters of performance by the Company as required by the Local Unit of Government as the recipient and administrator of the Center grant.

Use of Funds: The budget agreed to between the Center, the Local Unit of Government and the Company which specifies how Grant Funds are to be used.

Jobs Start Date or JSD: The specific date upon which the Company will initially certify existing jobs. This date is the start date for a three (3) year period in which the Company has to create the number of new jobs promised (i.e., the Minimum Job Requirement). This date is incorporated into the Performance Agreement. The JSD is January 1, 2017.

Jobs End Date or JED: The specific date that is three (3) years following the Jobs Start Date. This date is also incorporated into the Performance Agreement. The JED is December 31, 2019.

Number of Jobs Created: This figure is an amount equal to the number of jobs certified at the JED minus the number of jobs certified at the JSD. The number of jobs certified at any time hereunder represents current full-time employees of the Company based in the geographic area of the Local Unit of Government. Number of Jobs Created represents net new full-time jobs at the Company based in the geographic area of the Local Unit of Government and cannot include employees transferred or relocated from another Company site in North Carolina unless otherwise agreed to by the Center, Local Unit of Government and Company.

Minimum Job Requirement: This figure is the number of new jobs based in the geographic area of the Local Unit of Government expected to be created by the Company. The Minimum Job Requirement is two hundred fifty-eight (258).

New Minimum Job Requirement. This figure is the actual Number of Jobs Created based on the calculation as defined above, but shall not be an amount greater than the original Minimum Job Requirement, and which shall become the minimum number of jobs to be maintained for one (1) year after the Jobs End Date.

End of Maintenance Date or EOM: The specific date that is one (1) year after the Jobs End Date. This date marks the end of the jobs maintenance period in which the Company is required to maintain the New Minimum Job Requirement. The EOM date is December 31, 2020.

Grant End Date or GED: The final date of this Agreement upon which all requirements will be met. The GED is December 31, 2020.

WITNESSETH:

THAT, WHEREAS, the Center's mission is to provide long-term economic and societal benefits to North Carolina by supporting biotechnology research, business and education statewide; and

WHEREAS, biotechnology is characterized by the application of the principles of engineering and technology to the life sciences to solve problems and make products; and

WHEREAS, the Center provides direct and indirect financial assistance and support to persons and firms seeking to become involved in biotechnology/life science businesses and entrepreneurial opportunities in North Carolina; and

WHEREAS, the Company, a life science business with significant operations in Wake County, NC, is relocating and expanding its corporate headquarters in Wake County, NC, and the Center has agreed to provide an economic development grant award (the "**Grant**") through the Local Unit of Government for the benefit of the Company to induce the Company to expand and maintain its corporate headquarters Wake County; and

WHEREAS, the Local Unit of Government has agreed to be the responsible pass-through agency and to administer the Grant; and

WHEREAS, the Company is expected to create two hundred fifty-eight (258) new full-time jobs related to the life sciences in Wake County and is expected to generate significant tax revenue for Wake County; and

WHEREAS, the Local Unit of Government acknowledges that economic support such as the Grant serves as an important means for municipalities to attract businesses and develop local economies; and

WHEREAS, the Center desires to help the Local Unit of Government to attract new life science jobs and investment through the Grant which accordingly would constitute a public purpose; and

WHEREAS, information provided by the Company and the Local Unit of Government to the Center indicates that the Project represents a competitive project for which the Center's support is significant in creating or attracting to Wake County two hundred fifty-eight (258) new full-time jobs related to the life sciences;

NOW, THEREFORE, in consideration of the mutual promises and such other valuable consideration as shall be set out herein, the parties hereto do mutually agree to the following terms and conditions:

1. Scope of the Project.

(a) The scope of the Project shall be clearly outlined in Exhibit A and Exhibit B which are an integral part of this Agreement.

i. Exhibit A provides specific details of the Project including (1) the planned Use of Funds, (2) Certification of jobs at the Jobs Start Date, Jobs End Date and at End of Maintenance Date, and (3) milestones expected to be achieved.

ii. Exhibit B provides a general outline of the Project through the following three documents: (1) the Company's application to the Center, (2) the Award Letter of Intent to support the Project, (3) the Local Unit of Government's request to the Center for support of the Project, and (4) a copy of the signed Performance Agreement.

(b) By executing this Agreement, the Local Unit of Government hereby agrees to (1) disburse to the Company the Grant funds (the "**Grant Funds**") unless otherwise agreed to by the Center, Local Unit of Government and Company as specified in Exhibit A, (2) enter into the Performance Agreement with the Company, which Performance Agreement shall include, without limitation, a requirement that the Company repay the Grant Funds received from the Local Unit of Government in the event that the Company fails to meet the established Minimum Jobs Requirement and shall contain other terms consistent with this Agreement, and (3) negotiate in collaboration with the Center and the Company the Use of Funds.

2. Period of Agreement. The effective period of this Agreement shall commence on the execution of this Agreement and shall terminate no later than six (6) years following the date of execution, and may be subject to earlier termination as provided herein.

3. Grant Amount. The amount of the Grant the Center grants to the Local Unit of Government is One Hundred Thousand Dollars (\$100,000), such amount to be paid in a single lump sum. It is agreed between the parties that the above-referenced sum shall represent the total amount of this Agreement, except as such amount may be amended in accordance with the terms of this Agreement.

4. Funding and Method of Payment.

(a) Prior to transferring the Grant Funds to the Local Unit of Government, the deliverables set forth in Paragraph 1 (including Exhibit A) shall have been provided to the Center by the Local Unit of Government and the Company, as applicable, in form and substance reasonably satisfactory to the Center. Upon satisfaction of such deliverable requirements, the Center will transfer the full amount of the Grant to the Local Unit of Government within thirty (30) days thereafter.

(b) All Grant Funds received by the Local Unit of Government from the Center must be transferred to and expended by the Company no later than the Jobs End Date, unless otherwise agreed to by the Center, Local Unit of Government, and Company as specified in Exhibit A. Any unexpended Grant Funds as of the Jobs End Date shall be obtained by the Local Unit of Government from the Company and returned to the Center. Such amounts shall be paid by the Local Unit of Government to the Center no later than ninety (90) days after the Jobs End Date.

(c) As of the Jobs End Date, the Local Unit of Government shall require the Company to certify the number of jobs as of the Jobs End Date and to provide evidence of such number if requested by the Local Unit of Government or the Center. If the Company does not satisfy the Minimum Job Requirement, then the Company shall be required to pay the Local Unit of Government Three Hundred Eighty-eight Dollars (\$388) for each job below the established Minimum Job Requirement threshold. If any such payment is due, the Local Unit of Government shall require it to be paid by the Company no later than sixty (60) days after the Jobs End Date, and such amount shall be returned to the Center by the Local Unit of Government no later than ninety (90) days after the Jobs End Date.

5. Reporting.

(a) Interim Reports. The Local Unit of Government shall require the Company to provide annual reports documenting the Company's receipt and expenditure of Grant Funds, as outlined in Exhibit A (a copy of which must be provided to the Center), during each of the three (3) years during which the Company is creating the new jobs. The requirements of these reports shall be as outlined in the Performance Agreement, and shall, at a minimum, provide an accounting of the use of Grant Funds and the number of full-time employees of the Company based in the designated Project locale during the year.

(b) Final Report. The Local Unit of Government shall require the Company to provide a final report at the End of Maintenance Date, a copy of which must be provided to the Center. The final report is due no later than ninety (90) days following the EOM. The final report must document final use of the Grant Funds, as outlined in Exhibit A, and summarize the overall benefits to the Local Unit of Government of the Grant, including the total number of jobs created and maintained under the Project and certified to the Local Unit of Government. If at the End of Maintenance Date, the Company has failed to maintain the New Minimum Job Requirement, the Company shall be required to pay the Local Unit of Government Three Hundred Eighty-eight Dollars (\$388) for each job below the established New Minimum Job Requirement threshold. If any such payment is due, the Local Unit of Government shall require it to be paid by the Company not more than sixty (60) days after the End of Maintenance Date, and such amount shall be returned to the Center by the Local Unit of Government no later than ninety (90) days after the End of Maintenance Date.

(c) Audit Requirements and Reporting; Site Visits.

i. Audit Requirements and Reporting. The Local Unit of Government shall require the Company to expend the funds provided by this agreement only for the purposes for which they were granted. The Local Unit of Government and the Company are subject to the requirements of N.C.G.S. Sections 143C-6.21, -6.22, and -6.23. The Local Unit of Government shall require the Company to comply with all the rules and reporting requirements established by statute or administrative rules from time to time, including the foregoing Sections of N.C.G.S. 143C and 09 NCAC Subchapter 03M.0205 (as such statutes, rules and requirements may be amended from time to time). For convenience, the current reporting thresholds applicable to the Grant, established for recipients and subrecipients receiving State funds, are stated below:

(1) At least \$25,000 but less than \$500,000 (Level II)—A recipient or subrecipient that receives, holds, uses, or expends State funds in an amount of at least twenty-five thousand (\$25,000) or greater but less than five hundred thousand dollars (\$500,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including: (a) a certification completed by the recipient or subrecipient stating that the State funds were received, held, used, or expended for the purposes for which they were granted; (b) an accounting of the State funds received, held, used, or expended; and (c) a description of activities and accomplishments undertaken by the recipient or subrecipient with the State funds, including reporting on any performance measures established in the contract. All reports shall be filed with the disbursing agency in the format and method specified by the agency no later than three months after the end of the recipient's or subrecipient's fiscal year.

(2) Such thresholds and requirements may change from time to time and the Local Unit of Government and the Company should review the applicable statutes, rules and requirements to determine the then-applicable thresholds and reporting requirements.

ii. Site Visits. The Local Unit of Government shall require the Company to permit site visits to the location of the Project by Center staff as may be necessary for the Center to monitor and confirm compliance with the terms of this Agreement and the Performance Agreement, including, without limitation, with respect to the use and expenditure of the Grant Funds by the Company. The Company shall be given reasonable advance notice of any site visit, which will be scheduled during regular business hours unless other mutually acceptable arrangements are agreed upon.

6. Amendments. Any and all additions, deletions or other changes in this Agreement shall be effectuated by written amendment signed by the parties to this Agreement.

7. Project Records. The Local Unit of Government shall retain all financial records, supporting documents, and other pertinent Project records related to the Grant for a period of five (5) years from the date of termination of this Agreement. In the event such records are audited, all Project records shall be retained beyond the five-year period until any and all audit findings have been resolved. The Local Unit of Government agrees to make available to the Center, or its designated representative, all of its records which relate to the Project, and agrees to allow the

Center or said representative to audit, examine and copy any and all data, documents, proceedings, records and notes of activity relating in any way to the Project. Access to these records shall be allowed upon request at any time during normal business hours and as often as the Center or said representative may deem necessary.

8. Liabilities and Loss. The Center assumes no liability with respect to accidents, bodily injury, illness, breach of contract or any other damages or loss, or with respect to any claims arising out of any activities undertaken by the Local Unit of Government under this Agreement or by the Company under the Performance Agreement, whether with respect to persons or property of the Local Unit of Government, or third parties. The Local Unit of Government agrees to obtain and maintain insurance or otherwise protect itself or others as it may deem desirable. Further, to the extent permitted by law, the Local Unit of Government agrees to indemnify, defend and save harmless the Center and its officers, agents and employees against any liability, including costs and expenses and attorneys' fees, for a violation of any proprietary right or right of privacy arising out of the publication, translation, reproduction, delivery, performance, use or disposition of any information published resulting from the work of the Company or based on any libelous or other unlawful matter contained in such information. To the extent permitted by law, the Local Unit of Government also further agrees to indemnify, defend and save harmless the Center and its officers, agents and employees from any and all claims and losses accruing or resulting to any and all subcontractors, material men, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the Project and the performance of this Agreement or the Performance Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the Local Unit of Government or the Company or their respective agents in the performance of the Project and this Agreement.

9. Availability of Funds. It is understood that the Center's obligation to pay any amounts under this Agreement is contingent upon the availability of funds for such purpose. The Center depends on sources for funding that are beyond its control. In the event that total funding in support of the Center falls below the level available when this commitment was made, the Center reserves the right to terminate this Agreement upon thirty (30) days written notice to the Local Unit of Government. All obligations of the Center to make payments under this Agreement shall cease as of the date of such termination.

10. Entire Agreement. This Agreement supersedes all prior agreements between the Center and the Local Unit of Government, and expresses their entire understanding with respect to the transactions contemplated herein, and shall not be amended, modified or altered except pursuant to a writing signed by both parties.

11. Headings. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

12. Notice. All notices required or permitted to be delivered hereunder shall be in writing and shall be (a) personally delivered, (b) sent by email or facsimile (with a copy sent the

same day by certified mail, postage prepaid), or (c) sent by Federal Express or other nationally recognized overnight delivery service, addressed as follows:

If to the Center, to:

North Carolina Biotechnology Center
Attn.: Patty Gravinese
Vice President – Finance & Accounting
15 T. W. Alexander Drive
Research Triangle Park, NC 27709-3547
Email: Patty_gravinese@ncbiotech.org
Fax: 919-549-8852

If to the Local Unit of Government, to:

Wake County
Attn.: Jim Hartmann
County Manager
Post Office Box 550
Raleigh, North Carolina 27602
Email: jim.hartmann@wakegov.com
Fax: 919-856-6168

or addressed to such other address or to the attention of such other individual as the Center or the Local Unit of Government shall have specified in a notice delivered pursuant to this Paragraph 12. Notice shall be deemed effective on the date dispatched if by personal delivery, on the date transmitted by email or facsimile (if confirmed by mail pursuant to this Paragraph 12 or two (2) days after mailing if by Federal Express or other nationally recognized overnight delivery service.

13. Termination. Notwithstanding any other provisions of this Agreement, the parties may terminate this Agreement by mutual consent. Such termination right is in addition to the Center's other termination rights set forth in Paragraph 9. On termination, any ongoing obligations such as recordkeeping requirements described in Paragraph 7 shall continue. All obligations of the Center to advance funds under this Agreement shall cease as of the date of any such termination, and the Local Unit of Government agrees that, as a result of such termination, the Center shall not be liable to the Local Unit of Government for any compensation, losses, damages, or reimbursement of any kind.

14. Execution. This Agreement may be executed in one or more counterparts, each of which, when executed, shall be deemed an original, and such counterparts, together, shall constitute one and the same Agreement which shall be sufficiently evidenced by one of such original counterparts.

15. Assignment. The rights, duties and obligations of the parties under this Agreement shall inure to the benefit of the parties and shall be binding upon their successors and

permitted assigns. Neither this Agreement nor the respective rights, duties, obligations, and responsibilities of the Local Unit of Government may be transferred or assigned, in whole or in part, by the Local Unit of Government to any other person, firm or organization (including sub-agents) without the prior written consent of the Center. In the event of a permitted assignment, the assignee shall not be relieved of any of its duties or obligations under this Agreement, and such assignee shall agree to abide by the standards contained in the Uniform Administration of State Grants Subchapter.

16. Construction. This Agreement shall be construed and governed by the laws of the State of North Carolina, excluding its conflict of law principles.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

COUNTY OF WAKE

By: _____

Print Name: _____

Title: _____

Federal Employer Identification Number: _____

NORTH CAROLINA BIOTECHNOLOGY CENTER

By: _____

Print Name: _____

Title: _____

Exhibit A

1. Use of Funds

The expenditure by the Company of the sum of at least \$100,000 for leasehold improvements, and/ or equipment, in each case located or to be located in Wake County, North Carolina, and to be used by the Company for the purpose of facilitating the training of Company employees in the conduct of research in the life sciences.

2. Job Creation Certification Worksheet

a. Jobs Start Date (JSD)	January 1, 2017
b. Jobs End Date (JED)	December 31, 2019
c. End of Maintenance Date (EOM)	December 31, 2020
d. Grant End Date (GED)	December 31, 2020
e. <i># jobs on JSD*</i>	965
f. # jobs 1 year from JSD	$950+27= 977$
g. # jobs 2 years from JSD	$977+110= 1,087$
h. <i># jobs 3 years from JSD (JED)*</i>	$1,087+121= 1,208$
i. # jobs on JED minus # jobs on JSD	258
j. Minimum Job Requirement on JED	1,208
k. Was Minimum Job Requirement met?	_____
l. New Minimum Job Requirement	_____
m. <i># jobs at EOM*</i>	_____
n. Was New Minimum Job Requirement met?	_____

*** # Jobs on JSD, # Jobs on JED, and # Jobs at EOM must all be certified in accordance with the terms of the Grant Agreement and as outlined in the following pages.**

Jobs on JSD

The number of existing full-time employees at the Company based in the geographical area of the Local Unit of Government administering the Grant Funds on the JSD. The JSD is the start date for a three (3) year period in which the Company has to create the number of new full-time jobs promised (i.e., Minimum Job Requirement). The JSD is January 1, 2017. # Jobs on the JSD is 950 and must be certified below by a senior executive of the company:

INC RESEARCH, LLC

By: _____

Print Name: _____

Title: _____

Date: _____

Jobs on JED

The number of existing full-time employees at the Company based in the geographical area of the Local Unit of Government administering the Grant Funds on the JED (three years from the JSD). The JED is December 31, 2019. # Jobs on the JED is _____ as certified by a senior executive of the company:

By: _____

Print Name: _____

Title: _____

Date: _____

Jobs at EOM

The number of existing full-time employees at the Company based in the geographical area of the Local Unit of Government administering the Grant Funds at EOM (one year from the JED). The EOM date is December 31, 2020. # Jobs at the EOM is _____ as certified by a senior executive of the company:

By: _____

Print Name: _____

Title: _____

Date: _____

3. Milestones Description

The expenditure by the Company of the sum of at least \$100,000 for leasehold improvements, and/ or equipment, in each case located or to be located in Wake County, North Carolina, and to be used by the Company for the purpose of facilitating the training of Company employees in the conduct of research in the life sciences. Such expenditure will be completed on or before the December 31, 2019 Jobs End Date.

Exhibit B

(attached)