



NOTICE AND AGENDA

Beloit City Council

Special Meeting

Monday, June 30, 2014

6:00 p.m.

1st Floor City Hall Forum

City Hall – 100 State Street

Beloit, WI 53511

CALL OF MEETING OF CITY OF БЕLOIT COUNCIL
CITY OF БЕLOIT, WISCONSIN

NOTICE IS HEREBY GIVEN that in accordance with Section 2.02(3) of City Code, a Special Meeting of the City Council of the City of Beloit, Rock County, Wisconsin, is being called

1. Roll call
2. Resolution approving an amended **Development Agreement** with NorthStar Medical Radioisotopes, LLC (Janke)
3. Adjournment

Following the special meeting, or at approximately 6:30 p.m., the Beloit City Council will hold a workshop in the 1st Floor City Hall Forum. The purpose of the workshop is to discuss **Municipal Court Penalties** and other programs for Juvenile Offenders.

Larry N. Arft, City Manager

Dated: June 25, 2014
Jelene J. Ahrens, WCMC
Deputy City Clerk
www.beloitwi.gov

** Please note that, upon reasonable notice, at least 24 hours in advance, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information to request this service, please contact the City Clerk's Office at 364-6680, 100 State Street, Beloit WI 53511.

**RESOLUTION AUTHORIZING THE CITY MANAGER
TO ENTER INTO AN AMENDED DEVELOPMENT AGREEMENT
WITH NORTHSTAR MEDICAL RADIOISOTOPES, LLC**

WHEREAS, NorthStar Medical Radioisotopes, LLC is a start-up manufacturer of medical radioisotopes; and

WHEREAS, NorthStar Medical Radioisotopes, LLC and the City of Beloit entered in to a Development Agreement pursuant to authorizations by the Beloit City Council contained a resolution dated July 5, 2011; and

WHEREAS, the Beloit City Council approved a First Amended Development Agreement between NorthStar Radioisotopes, LLC and the City of Beloit by a resolution approved December 17, 2012; and

WHEREAS, the above referenced Amended Development Agreement was never executed due to the evolving nature of NorthStar's development plans; and

WHEREAS, NorthStar Medical Radioisotopes, LLC is now interested in executing an updated Amended Development Agreement; and

WHEREAS, the City of Beloit and NorthStar Radioisotopes, LLC are desirous of entering into an Amended Development Agreement; and

WHEREAS, said Amended Development Agreement also alters the project, phasing, timing, and scale; and

WHEREAS, the Beloit City Council finds that the proposed Amended Development Agreement attached hereto will accomplish said purpose.

NOW, THEREFORE, BE IT RESOLVED that the City Manager of the City of Beloit be, and is hereby, authorized to execute the attached First Amended Development Agreement on behalf of the City of Beloit.

BE IT FUTHER RESOLVED that the City Manager of the City of Beloit be, and is hereby, authorized to execute any additional documents necessary to carry out the terms and conditions of the Development Agreement.

Adopted this 30th day of June, 2014

City Council of the City of Beloit

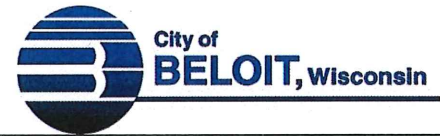
Mark Spreitzer, Council President

Attest:

Judith A. Elson, Deputy City Clerk

CITY OF BELOIT

REPORTS AND PRESENTATIONS TO CITY COUNCIL



Topic: Resolution authorizing the City Manager to enter into an Amended Development Agreement with NorthStar Medical Radioisotopes, LLC.

Date: 6/30/14

Presenter(s): Andrew Janke

Department(s): Economic Development

Overview/Background Information: On July 6th, 2011 City Council approved a Development Agreement with NorthStar Radioisotopes, LLC (NorthStar). Since that time NorthStar has refined its approach and technology as it relates to their project. NorthStar still intends to develop a production facility in Beloit that utilizes Linear Particle Accelerators to produce isotopes that are used in diagnostic medical imaging. However, the scope, scale and timing of the project has been altered to the extent that NorthStar has requested that the City amend the original Development Agreement. Note that Council approved amended Development Agreement on December 17, 2012 but it was not executed due to the evolving nature of NorthStar's development plans. NorthStar is proposing a phased development with the construction of a production support facility for NorthStar's production efforts at Missouri University's Research Reactor to begin this year with the actual LINAC production facility to follow later. A more detailed description of the project and its proposed phasing is attached. The proposed substantive changes to the Development Agreement Amendment relate to Paragraphs # 2, 3, 7 and 9 of the original Development Agreement (Attached). The balance of the terms and conditions of the original Development Agreement remain largely the same.

Key Issues (maximum of 5):

1. The original Development Agreement indicated that the cost to construct the facility would be \$194 million. In the Amended Development Agreement the cost has been reduced to \$154 million with the Phase I production support facility investment anticipated at \$5 million.
2. The original Development Agreement stated that construction would begin by June 30, 2012. In the Amended Development Agreement the construction date has been moved to August 31, 2014. Final construction for Phase I production support facility is expected to be completed by December 31, 2014. Construction of the Phase II production support facility expected to be completed by December 31, 2016. Construction of the LINAC facility is expected to be completed by December 31, 2018. Construction of Phase IV is yet to be determined.
3. As the project start date has been pushed back one year the number of Direct Developer Payments will be reduced from ten (10) to nine (9) years.
4. The company's overall job creation expectation at full build out has been increased from 150 jobs to 165 phased in according to the following schedule:
 - 12 Full-time positions by December 31, 2014
 - 32 Full-time positions by December 31, 2015
 - 60 Full-time positions by December 31, 2016
 - 100 Full-time positions by December 31, 2017
 - 165 full-time positions by December 31, 2018
5. NorthStar is proposing a phased development project with a 50,000 square foot production support facility being constructed and completed this year as part of Phase I. Phase II will involve the construction of a 20,000 square foot addition to the production support facility by December 31, 2016. Phase II will involve construction of a 100,000 square feet linear particle accelerator (LINAC) facility by December 31, 2018. Phase IV will involve construction of a 50,000 square foot production facility at yet to be determined date. The agreement also acknowledges that project construction schedule may be revised and updated from time to time at the consent of both parties.

Conformance to Strategic Plan (List key goals this action would support and briefly discuss its impact on the City's mission.): This business development project clearly supports Goal #2 since it will result in the creation of new jobs and will leverage new private investment.

Sustainability (Briefly comment on the sustainable long term impact of this policy or program related to how it will

impact both the built and natural environment utilizing the four following eco-municipality guidelines.):

- **Reduce dependence upon fossil fuels**

As Moly-99 is currently not produced in the U.S. therefore being able to source domestically less energy will be required for shipping.

- **Reduce dependence on chemicals and other manufacturing substances that accumulate in nature**

Current production processes for Moly-99 uses uranium as a source material that is costly and long lasting. NorthStar's technology uses a stable non-radioactive isotope that is easily handled and disposed of.

- **Reduce dependence on activities that harm life sustaining eco-systems**

The proposed development will not impact wetlands or sensitive wildlife.

- **Meet the hierarchy of present and future human needs fairly and efficiently**

The project achieves this by creating good paying jobs. The project will also be developed in an existing industrial park and therefore will not contribute to urban sprawl and no new public infrastructure will need to be extended.

Action required/Recommendation: Staff recommends approval of the resolution.

Fiscal Note/Budget Impact: The project will add increment to TID # 10 which is already cash flowing positively.

**FIRST AMENDED
DEVELOPMENT AGREEMENT
NORTHSTAR MEDICAL RADIOISOTOPES, LLC**

The undersigned, NorthStar Medical Radioisotopes, LLC, a Wisconsin corporation, with its principal office at 5249 Femrite Drive, Madison, Wisconsin 53718 (hereinafter "NorthStar") and the City of Beloit, a Wisconsin municipal corporation, with its principal place of business located at 100 State Street, Beloit, Wisconsin 53511 (hereinafter "City") hereby agree to amend the Development Agreement dated July 6, 2011 previously entered into between the parties as follows:

1. Except as explicitly set out herein, all of the terms and conditions of the Development Agreement dated July 6, 2011 between the parties shall remain in full force and effect.

2. Paragraph 2 of the Development Agreement dated July 6, 2011 shall be replaced in its entirety as follows:

**“2. PHASED CONSTRUCTION OF
PRODUCTION SUPPORT AND LINAC FACILITIES.**

Subject to the conditions set forth herein, NorthStar shall construct or cause to be constructed a production support facility for NorthStar's production efforts at the Missouri University's Research Reactor (MURR) (hereinafter "MURR production support facility" and the LINAC Facility on the NorthStar Site.) The term "NorthStar Site" shall have the same meaning as the term "LINAC Site" as defined in the Development Agreement dated July 6, 2011. The MURR production support facility and LINAC Facility shall be constructed as generally shown on the site plan attached hereto as Exhibit C (which Exhibit C completely replaces and supersedes the Exhibit C attached to the Development Agreement dated July 6, 2011). The production support facility shall be configured as generally shown on the preliminary plans attached hereto as Exhibit D. It is anticipated that Phase I of the production support facility will be constructed first, followed by Phase II of the production support facility with the possible future expansions as shown on Exhibit D. These first two phases will be in support of the production taking place at MURR. The Phase III

LINAC Facility construction will follow the completion of Phases I and II. The proposed expansion in the northwest corner of the site will be planned for the future and is not scheduled at this time. All construction shall be subject to any changes or alterations (i) required by any governmental or regulatory authority, agency or body with jurisdiction over the production support facility, the MURR production support facility, the LINAC Facility and/or the NorthStar Site, or (ii) deemed reasonably necessary or advisable by NorthStar in furtherance of its operation of the entire NorthStar Site. It is expected that when fully built, the MURR production support facility - Phases I and II will consist of a minimum of Seventy Thousand (70,000) square feet of space and the LINAC Facility will consist of approximately an additional One Hundred Thousand (100,000) square feet of space. It is expected that the estimated cost to construct the production support facility, together with all associated machinery and equipment to be located therein, will be approximately Five Million Dollars (\$5,000,000), and the entire project, together with all associated machinery and equipment to be located therein, will cost approximately One Hundred Fifty-Four Million Dollars (\$154,000,000).”

3. Paragraph 3 of the Development Agreement dated July 6, 2011 shall be replaced in its entirety as follows:

“3. **CONSTRUCTION TIMETABLE.** When NorthStar purchases the NorthStar Site from the City, NorthStar shall commence construction of Phase I of the MURR production support facility, which the parties anticipate will be no later than August 31, 2014, and will complete each phase of the project as specified below. The parties hereto anticipate that the MURR production support facility - Phase I (50,000 square feet) will be completed by December 31, 2014, Phase II (20,000 square feet) will be completed by December 31, 2016, and the Phase III LINAC Facility to be completed by December 31, 2018. The completion of Phase IV is yet to be determined. The projected Construction Schedule may be revised and updated by the written consent of both parties from time to time.”

4. Paragraph 7(a) of the Development Agreement dated July 6, 2011 shall be replaced in its entirety as follows: (Note that paragraphs 7(b), 7(c), 7(d), 7(e), 7(f) and 7(g) remain unchanged.)

“7. DIRECT DEVELOPER INCENTIVE PAYMENTS.

(a) The NorthStar Site will be located in Tax Incremental Financing District (TID) #10 in the City of Beloit, which was established on January 1, 2001, and the boundaries of which were amended on September 12, 2005 (the “District”). In consideration of and as an inducement to NorthStar’s development of the NorthStar Site in the District, together with the benefits, including an increased tax base which will accrue to the City, the City shall make a series of Direct Developer Incentive Payments (each a “DDI Payment”) to NorthStar as provided herein. The first annual DDI Payment shall be made on September 1 of the year following the first tax year during which Phase I of the production support facility improvements are first assessed (including any partial assessment thereof) and thereafter on September 1 of each of the next eight (8) consecutive years (for a total period of nine (9) consecutive years of DDI payments). For purposes of this Paragraph 7, the term “Available Tax Increment” (as defined in Section 66.1105(2) (i) Wis. Stats.) shall mean thirty-five percent (35%) of the amount of real and personal property tax increment actually paid by NorthStar, or any successor or assign under this Agreement, and received by the City and generated solely by the development of the production support facility and/or the NorthStar Site above the Property Tax Increment Base during a calendar year. For purposes of this Agreement, the term “Property Tax Increment Base” means the aggregate value, as equalized by the Wisconsin Department of Revenue, of the NorthStar Site and any personal property thereon as of September 12, 2005.”

5. Paragraph 9 of the Development Agreement dated July 6, 2011 shall be replaced in its entirety as follows:

“9. JOB CREATION AND RETENTION. NorthStar agrees to create and fill at least one hundred sixty-five (165) new full-time positions (the “Minimum NorthStar Positions”) at the NorthStar Site on or before December 31, 2018.

NorthStar shall create and fill those one hundred sixty-five (165) positions based on the following schedule:

- 12 full-time positions by December 31, 2014;
- 32 full-time positions by December 31, 2015;
- 60 full-time positions by December 31, 2016;
- 100 full-time positions by December 31, 2017; and
- 165 full-time positions by December 31, 2018.

If NorthStar fails to create and/or maintains less than the Minimum LINAC Positions, each DDI Payment due during such period of non-compliance shall be reduced by an amount equal to the percentage difference between the Minimum LINAC Positions and the then-current number of actual jobs created and/or maintained at the NorthStar Site. This formula will be used to recalculate a DDI Payment in any and all years the number of jobs maintained at the NorthStar Site falls below the Minimum LINAC Positions. For purposes of this Agreement, a “full-time” position means a regular full-time position for which the employee is required, as a condition of employment, to work at the NorthStar Site at least forty (40) hours per week and two thousand eighty (2,080) hours per year, less time off for holidays, paid vacations and other leave approved by NorthStar.”

(Signature page to follow)

Dated this _____ day of _____, 2014.

CITY OF BELOIT

**NORTHSTAR MEDICAL
RADIOISOTOPES, LLC**

By: _____
Larry N. Arft, City Manager

By: _____
George P. Messina, President & CEO

ATTEST:

By: _____
Rebecca Houseman LeMire, City Clerk

APPROVED AS TO FORM:

By: _____
Thomas R. Casper, City Attorney

I hereby certify that there are sufficient funds available to pay the liability incurred by the City of Beloit pursuant to this Agreement.

By: _____
Eric Miller, City Comptroller

AUTHENTICATION

Signature(s) of Larry N. Arft, Rebecca Houseman LeMire and Eric Miller authenticated on the _____ day of _____, 2014.

* _____
Thomas R. Casper
TITLE: MEMBER STATE BAR OF WISCONSIN
tdh/files/10-1169/First Amended Dev Agr=140620 1523 (cln)

STATE OF WISCONSIN)
) SS
COUNTY OF _____)

Personally came before me this _____ day of _____, 2014, the above-named George P. Messina, to me known to be such Chairman, President and CEO of NorthStar Medical Radioisotopes, LLC and to me known to be the person who executed the foregoing instrument and acknowledged the same.

Notary Public, _____ County, _____
My Commission is permanent. If not, state
expiration date: _____



2857 Bartels Drive
 Beloit, Wisconsin 53511
 608.365.4624
 www.batterman.com

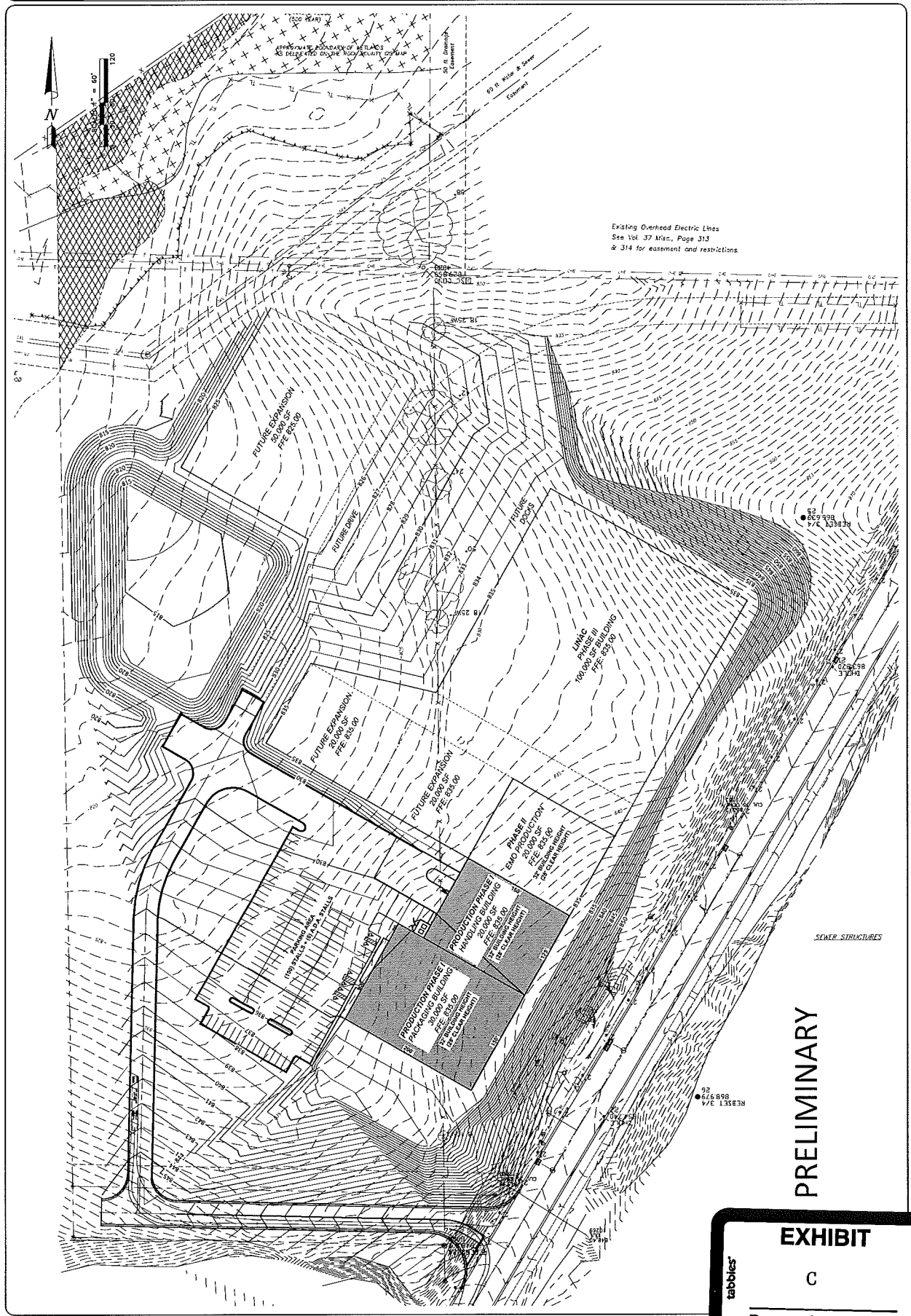
Batterman
 engineers surveyors planners

DATE	DESCRIPTION
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GRADING & DRAINAGE PLAN

NORTHSTAR MEDICAL
 RADIOISOTOPES, LLC FACILITY
 CITY OF BELOIT
 ROCK COUNTY, WISCONSIN
 31277 - GRADING DWG

SHEET NO.
5 OF 1



PRELIMINARY

EXHIBIT

C

tabbles

Page 1 of 1

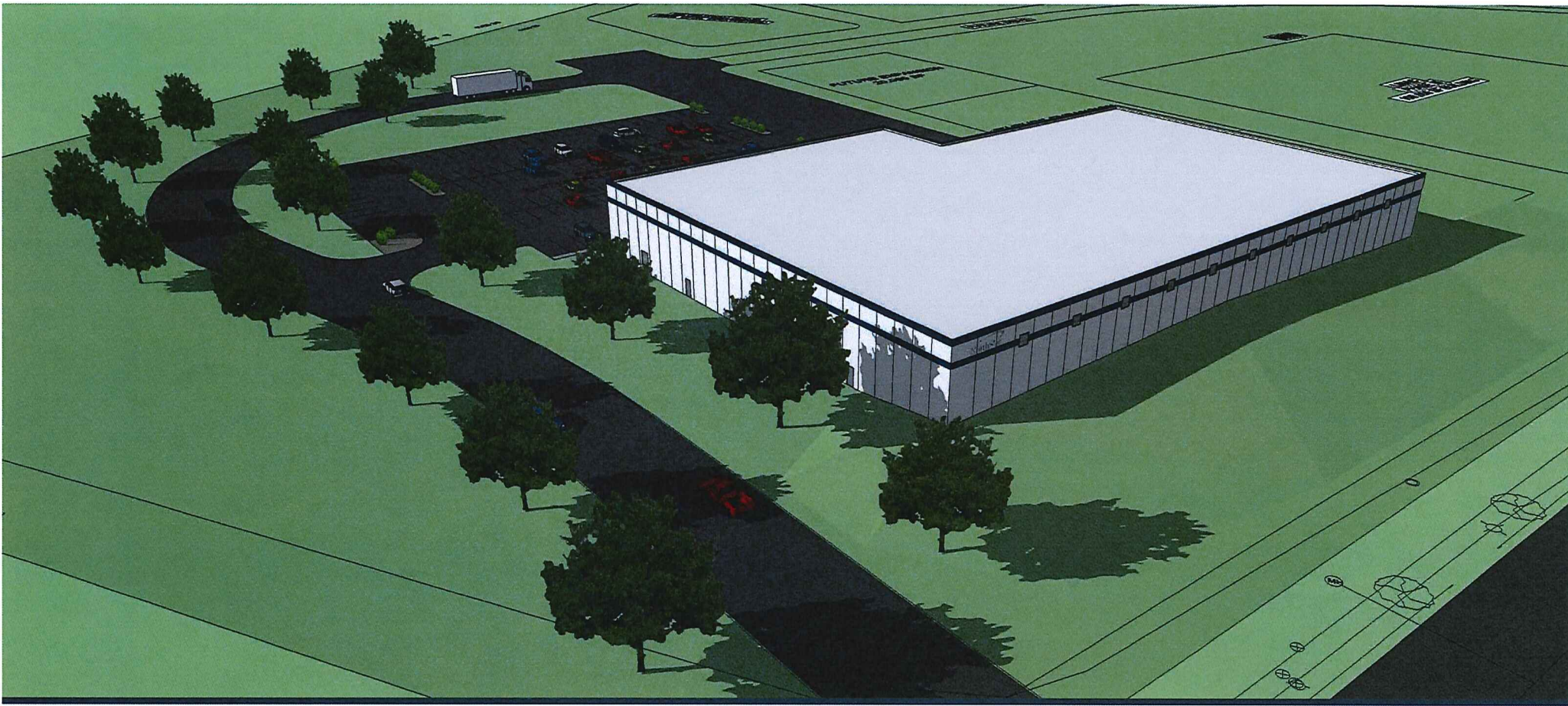


Angus Young
*Architecture
Engineering
Interior Design*
Balance in Creativity

NorthStar
MEDICAL RADIOISOTOPES, LLC
A subsidiary of Northstar Medical Technologies

CCI
Corporate Contractors, Inc.

EXHIBIT
D
Page 1 of 5



Angus Young
*Architecture
Engineering
Interior Design*
Balance in Creativity

NorthStar
MEDICAL RADIOISOTOPES, LLC
A subsidiary of Northstar Medical Technologies

CCI
Corporate Contractors, Inc.

EXHIBIT
D
Page 2 of 5

tabbles



Angus Young
*Architecture
Engineering
Interior Design*
Balance in Creativity


NorthStar[™]
MEDICAL RADIOISOTOPES, LLC
A subsidiary of Northstar Medical Technologies


Corporate Contractors, Inc.

EXHIBIT
D
Page 3 of 5

tabbles



Angus Young
*Architecture
Engineering
Interior Design*
Balance in Creativity

NorthStar
MEDICAL RADIOISOTOPES, LLC
A subsidiary of Northstar Medical Technologies

CCI
Corporate Contractors, Inc.

EXHIBIT
D
Page 4 of 5



Angus Young
*Architecture
Engineering
Interior Design*
Balance in Creativity

NorthStar
MEDICAL RADIOISOTOPES, LLC
A subsidiary of Northstar Medical Technologies

CCI
Corporate Contractors, Inc.

EXHIBIT
D
Page 5 of 5



Medical Radioisotopes, LLC

(A wholly owned subsidiary of NorthStar Medical Technologies, LLC)

NorthStar Facility Construction Plan

The facility construction planned for Gateway will be completed in phases as described below:

Phase I

Square footage: 50,000

NorthStar is executing its Near Term Mo99 production plan with the University of Missouri Research Reactor ("MURR"). This process will support the efforts in MURR associated with the raw material irradiation of natural Molybdenum. In support of this effort NorthStar is planning for this facility to provide ancillary processes and packaging of subassemblies and products required to support this effort. They include but are not limited to:

- Final Assembly and Testing of the RadioGenix™ (formerly known as TechneGen™),
- Column packing of resins
- Recovery of Shipping Vessels for reuse,
- Field service repairs,
- Warehousing of parts, and
- A quality control laboratory.

Phase II

Square footage: 20,000 with the ability to add an additional 40,000 if needed

NorthStar will transition the process at MURR from natural molybdenum to enriched molybdenum Mo98 (a stable non-radioactive isotope). With this change, NorthStar will continue to provide the same services as outlined above but the area will need to expand because NorthStar's production will increase by 4 times and will include additional methods and procedures, including processing the Mo99 and preparing for shipment.

Phase III

Square footage: 100,000

This will be the expansion into Linear Accelerator produced Mo99, the project we originally discussed with the city. This will house up to 16 linear accelerators and all of the necessary processing required to prepare the Mo99 produced for shipment to customers. This will be an all-inclusive process where we control the entire supply chain, except for the production of raw material.

Phase IV

Square footage: TBD

This facility will be in support of a NorthStar Nuclear Therapy product offering which is in a very early stage of development. It is expected that if the clinical trials held to date are any indication of the success of these therapies, the opportunity to offer a less painful and physically difficult treatment (the common side effects of these new treatments have been headaches, constipation or diarrhea, easily treated with over the counter drugs) – essentially a significantly

"Enabling the future of nuclear medicine."

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friendlier and most importantly effective treatment for patients suffering from cancer, leukemia and HIV.

DEVELOPMENT AGREEMENT
NORTHSTAR MEDICAL RADIOISOTOPES, LLC

THIS DEVELOPMENT AGREEMENT (this "Agreement") is made as of the 6th day of July, 2011, by and between the City of Beloit, a Wisconsin municipal corporation, with its principal place of business located at 100 State Street, Beloit, Wisconsin 53511 (hereinafter "City") and NorthStar Medical Radioisotopes, LLC, an Wisconsin corporation, with its principal office at 706 Williamson Street, Suite #2, Madison, Wisconsin 53703 (hereinafter "NorthStar").

RECITALS

WHEREAS, NorthStar desires to construct and operate a linear particle accelerator in the City (the "LINAC Facility"); and

WHEREAS, NorthStar has explored several alternative locations and found a site in the City suitable for NorthStar's construction and operation of the LINAC Facility; and

WHEREAS, the proposed LINAC Site is located in the City's Tax Incremental District No. 10 (the "District"); and

WHEREAS, the City and the State of Wisconsin wish to encourage and incentivize NorthStar to locate the LINAC Facility in the City; and

WHEREAS, NorthStar is willing to commit to construction of the LINAC Facility within the City upon the terms and conditions set forth in this Agreement; and

WHEREAS, the City established the District to promote development in the City and the District by making certain grants, paying development incentives, and incurring project costs; and

WHEREAS, as an inducement to NorthStar to develop the LINAC Facility within the District, in order to make the LINAC Facility financially feasible and in order to implement the District's project plan, the City finds it appropriate to provide the development incentives set out in this Agreement.

NOW, THEREFORE, the City and NorthStar agree as follows:

1. ACQUISITION OF LINAC SITE; CONVEYANCE OF LINAC SITE TO NORTHSTAR.

(a) The City and NorthStar have identified two (2) contiguous parcels of land, which together are suitable for the construction of the LINAC Facility. The first parcel is owned by Turtle Creek, LLC and consists of approximately 19.9 acres, as described on Exhibit A-1 (the "Turtle Creek Land"), and the second parcel is owned by MLG/BRC Beloit LLC and consists of approximately 13 acres, as described on Exhibit A-2 (the "MLG/BRC Land"). The City intends to enter into one or more option agreements or purchase contracts to acquire the Turtle Creek Land and the MLG/BRC Land (the "Acquisition Agreement(s)").

(b) Upon acquisition of the Turtle Creek Land and the MCG/BRC Land, the City shall, at its sole cost and expense, create one, single legal lot by filing and recording of a certified survey map ("CSM"), comprised of the Turtle Creek Land and the MCG/BRC Land, which combined parcel shall hereinafter be referred to as the "LINAC Site." The final CSM shall be subject to NorthStar's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. It is expected that the LINAC Site will consist of approximately thirty-three (33) acres, including approximately two (2) acres of preserved wetlands and one (1) acre along the southern boundary preserved for future road right-of-way. In the event said one-acre area is ever dedicated as a public right-of-way, there

shall be no costs assessed or charged to NorthStar for any such dedication or construction, and all costs associated therewith shall be the sole obligation of the City.

(c) The parties' obligations under this Agreement shall be subject to the City's acquisition of the Turtle Creek Land and the MLG/BRC Land for an aggregate purchase price not in excess of Nine Hundred Thousand Dollars (\$900,000). In the event the City fails to enter into the Acquisition Agreements for the Turtle Creek Land and the MLG/BRC Land on or before the date which is ninety (90) days from the date of this Agreement (the "Acquisition Date"), this Agreement shall terminate and the parties shall have no further rights or obligations, unless NorthStar shall agree, in writing, to extend the Acquisition Date. Notwithstanding the foregoing, the City shall use best efforts to acquire the Turtle Creek Land and the MLG/BRC Land as contemplated herein.

(d) Upon the City's acquisition of the Turtle Creek Land and the MLG/BRC Land and subsequent creation of the LINAC Site, the City shall sell the LINAC Site to NorthStar for the sum of One Dollar (\$1.00) and other good valuable consideration, including the obligations of NorthStar set forth in this Agreement, pursuant to the terms of the Commercial Offer to Purchase attached hereto as Exhibit B (the "Offer"). Such conveyance shall be evidenced by a general warranty deed, subject only to municipal and zoning ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants, together with the road right-of-way preservation area described herein. The sale of the LINAC Site from the City to NorthStar shall occur within five (5) business days of the last to occur of (i) NorthStar's receipt of all required permits and approvals from any governmental or regulatory authority, agency or body with jurisdiction over the LINAC Facility and/or the LINAC Site; (ii) completion of any required Federal, state or local review processes with respect to the LINAC Facility and/or the LINAC Site; and (iii) the expiration of any appeal.

periods respect to (i) or (ii). The date by which (i), (ii) and (iii) are satisfied is hereinafter referred to as "Completion of the Approval Process." Notwithstanding the foregoing, NorthStar shall have no obligation to commence efforts to secure the permits or approvals or complete the permitting or review processes contemplated by (i) and (ii) respectively, until the City has delivered to NorthStar fully executed copies of the Acquisition Agreement(s).

(e) Notwithstanding any provision herein to the contrary, NorthStar shall have the right to transfer or convey the LINAC Site to a wholly-owned limited liability company, provided NorthStar causes such wholly-owned subsidiary to agree in writing to observe all of the obligations of NorthStar set forth herein with respect to the LINAC Site.

2. **CONSTRUCTION OF LINAC FACILITY.** Subject to the conditions set forth herein, NorthStar shall construct the LINAC Facility on the LINAC Site. The LINAC Facility shall be constructed as generally shown on the site plan attached hereto as Exhibit C, subject to any changes or alterations (i) required by any governmental or regulatory authority, agency or body with jurisdiction over the LINAC Facility and/or the LINAC Site, or (ii) deemed reasonably necessary or advisable by NorthStar in furtherance of its operation of the LINAC Facility. It is expected that when fully built, the LINAC Facility will consist of approximately Eighty-Two Thousand (82,000) square feet of space. It is expected that the estimated cost to construct the LINAC Facility, together with all associated machinery and equipment to be located therein, will be approximately One Hundred Ninety-Four Million Dollars (\$194,000,000).

3. **CONSTRUCTION TIMETABLE.** If and when NorthStar purchases the LINAC Site from the City, NorthStar shall commence construction of the LINAC Facility, which the parties anticipate will be no later than June 30, 2012, and continue in accordance with the construction schedule attached hereto as Exhibit D (the "Projected Construction Schedule"), which Projected Construction Schedule shall be revised and updated by the written consent of both parties hereto

from time to time. The parties hereto anticipate that the LINAC Facility will be completed by December 31, 2016.

4. **SITE PLAN REVIEW AND BUILDING PERMITS.** NorthStar agrees to submit its building and site plans for the LINAC Facility to the City for review and approval in accordance with the City's zoning, building and architectural review ordinances. NorthStar shall use due diligence in its preparation of and pursuit of all necessary governmental permits and reviews.

5. **ZONING.** The City represents that the Turtle Creek Land and the MLG/BRC Land is currently zoned M-1, general manufacturing district, and that upon creation of the LINAC Site, that no zoning changes are needed to permit construction or operation of the proposed LINAC Facility on the LINAC Site.

6. **PRECLOSING ACCESS.** The City acknowledges and agrees with NorthStar's need to have preclosing access to the LINAC Site (or, if prior to the creation of the LINAC Site, Turtle Creek Land and/or the MLG/BRC Land). The City agrees to use good faith efforts in negotiating the Acquisition Agreements referred to in Paragraph 1(a) herein so as to include authority for NorthStar and its authorized representatives to enter onto the Turtle Creek Land and the MLG/BRC Land prior to the closing and to do each of the following:

(a) conduct any soil surveys, soil borings or other testing necessary to satisfy NorthStar that the Turtle Creek Land and the MLG/BRC Land is physically suitable for the construction of the LINAC Facility; and

(b) conduct any environmental investigation or testing necessary to satisfy NorthStar that the Turtle Creek Land and the MLG/BRC Land is environmentally suitable for the construction of the LINAC Facility.

If NorthStar fails to close on the Turtle Creek Land and the MLG/BRC Land for any reason, NorthStar will restore the Turtle Creek Land and the MLG/BRC Land to its original condition.

NorthStar agrees to use reasonable efforts to minimize disturbance of the land and damages to crops growing thereon and shall be financially responsible for any crop damage or any other damages that are not capable of restoration. NorthStar agrees that in consideration of the preclosing access to the Turtle Creek Land and the MLG/BRC Land, NorthStar will indemnify and hold the City harmless from any liability arising out of the acts or omissions of NorthStar, its officers, managers, members, employees or agents while occupying, entering or leaving the Turtle Creek Land or the MLG/BRC Land.

7. DIRECT DEVELOPER INCENTIVE PAYMENTS.

(a) The LINAC Site will be located in Tax Incremental Financing District (TID) #10 in the City of Beloit, which was established on January 1, 2001, and the boundaries of which were amended on the September 12, 2005 (the "District"). In consideration of and as an inducement to NorthStar's development of the LINAC Facility in the District, together with the benefits, including an increased tax base, which will accrue to the City, the City shall make a series of Direct Developer Incentive Payments (each a "DDI Payment") to NorthStar as provided herein. The first annual DDI Payment shall be made on September 1 of the year following the first tax year during which the LINAC Facility is assessed, and thereafter on September 1 of each of the next nine (9) consecutive years. For purposes of this Paragraph 7, the term "Available Tax Increment" shall mean thirty-five percent (35%) of the amount of real and personal property tax increment actually paid by NorthStar, or any successor or assign under this Agreement, and received by the City (as defined in Section 66.1105 Stats.) and generated solely by the development of the LINAC Facility above the Property Tax Increment Base during a calendar year. For purposes of this Agreement, the term "Property Tax Increment Base" means the aggregate value, as equalized by the Wisconsin Department of Revenue, of the LINAC Site and any personal property thereon as of September 12, 2005.

(b) The City's obligations to make DDI Payments shall not be payable from or constitute a charge upon any funds of the City, and the City shall not be subject to any liability or be deemed to have obligated itself to pay the DDI Payments from any funds except the Available Tax Increment, and then only to the extent and in the manner herein specified.

(c) If no Available Tax Increment is available during any year in which a DDI Payment is otherwise payable, the City shall have no obligation to pay any DDI Payment for that year under this Agreement. Such failure shall not constitute a default under this Agreement. For any year during which there is no Available Tax Increment, an additional year will be added to the total number of years for which NorthStar is eligible for DDI Payments; provided, however, this shall not extend the obligation of the City beyond the provisions of Paragraph 7(d) herein. Except as provided below, the City shall have no obligation to subsequently pay any such deficiency unless the deficiency is the direct result of the failure of the County to timely remit the proper amount of Available Tax Increment, in which case, such deficiency shall be paid promptly upon remittance by the County. If on any payment date there is insufficient Available Tax Increment to make the scheduled payment due on such date, the amount of such deficiency in the scheduled payment shall be deferred and shall be paid on the next payment date on which the City has tax increment in excess of the amount necessary to make the scheduled payment due on such payment date, provided sufficient tax increment is available and exists. Notwithstanding anything to the contrary set forth in this Agreement, interest shall not compound on any deferred payments or otherwise.

(d) The City represents and warrants that the District terminates on October 16, 2023 (the "District Termination Date"). To the extent that DDI Payments, as provided for herein, remain due and payable following the District Termination Date, the City shall pay a multi-year final payment at the time the last DDI Payment is made prior to the District Termination Date. The multi-year final payment shall be in an amount equal to the number of

years DDI Payments would otherwise continue to be payable but for the District Termination Date, and shall also include the last payment due prior to the District Termination Date. Each DDI Payment included in the multi-year final payment shall be equal to the last DDI payment made prior to the District Termination Date. In no case shall the multi-year final payment include more than two years of DDI Payments (not including the last payment due or made prior to the District Termination Date).

(e) The City's obligation to pay the annual DDI Payments as contemplated hereunder is conditioned upon continued production of medical radioisotopes and related products from the LINAC Facility, subject to normal interruptions to which production facilities are subject, including, without limitation, retooling, equipment upgrades and the like.

(f) DDI Payments attributable to personal property shall be based solely upon personal property actually located at the LINAC Facility.

(g) The DDI Payments shall not be deemed a "rebate" of real or personal property taxes, but rather the use of such taxes paid being a reasonable measure for the reimbursement of certain project costs incurred by NorthStar in connection with the development of the LINAC Facility.

8. OTHER INCENTIVES.

(a) Enterprise Zone Tax Credits. A written commitment has been issued by the State of Wisconsin to grant to NorthStar enterprise zone tax credits in the amount of \$14 Million (\$14,000,000), specifying certain conditions precedent to the disbursement of the tax credits. A copy of that commitment is attached hereto marked Exhibit E.

(b) Designation as Enterprise Zone. The City will assist NorthStar in obtaining an Enterprise Zone ("EZ") designation for the LINAC Site from the State of Wisconsin Department of Commerce.

(c) Training Grant. The City shall provide a grant in the amount of \$50,000 to be used by NorthStar for training new employees during the start-up period. Said grant shall be payable within sixty (60) days of initial occupancy.

9. **JOB CREATION AND RETENTION.** NorthStar agrees to create and fill at least one hundred fifty-one (151) new full-time positions (the "Minimum LINAC Positions") at the LINAC Facility on or before December 31, 2016. If NorthStar fails to create and/or maintains less than the Minimum LINAC Positions, each DDI Payment due during such period of non-compliance shall be reduced by an amount equal to the percentage difference between the Minimum LINAC Positions and the then-current number of actual jobs created and/or maintained at the LINAC Facility. This formula will be used to recalculate a DDI payment in any and all years the number of jobs maintained at the LINAC Facility falls below the Minimum LINAC Positions. For purposes of this Agreement, a "full-time" position means a regular full-time position for which the employee is required, as a condition of employment, to work at least forty (40) hours per week and two thousand eighty (2,080) hours per year, less time off for holidays, paid vacations and other leave approved by NorthStar.

10. **INVESTMENT IN GREATER BELOIT ECONOMIC DEVELOPMENT CORPORATION ("GBEDC").** NorthStar agrees that in further consideration of the DDI payments contemplated in Paragraph 7(e) above, upon execution of this Agreement and until such time as all DDI payments have been made, NorthStar shall become an investor in GBEDC. As an investor, NorthStar shall pay annual investment dues to GBEDC in accordance with the annual dues schedule to which all investors in GBEDC are subject. Said dues are set on an annual calendar year basis. For the first year of this Agreement, NorthStar shall pay a prorated amount reflecting the number of months from the month of execution through December. Such prorated payment shall be due within 30 days of execution of this Agreement.