

**Life Sciences Tax Incentive Program Application
Instructions**

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LIFE SCIENCES TAX INCENTIVE PROGRAM APPLICATION INSTRUCTIONS

General

All companies seeking to receive benefits of the life sciences tax incentive program (the "Program"), as described in Section 5(d) of the Massachusetts Life Sciences Center ("MLSC") enabling statute, M.G.L. Chapter 23I (the "Life Sciences Statute"), must first submit a Life Sciences Tax Incentive Program Application. In order to receive any such tax benefits, applicants must be certified as a "Certified Life Sciences Company," as defined in the Life Sciences Statute. Please note that a designation as a Certified Life Sciences Company will not be made independent of a tax benefit award.

Pursuant to the Life Sciences Statute, the MLSC is authorized to grant certain tax incentives to Certified Life Sciences Companies in a cumulative amount of not more than \$25 million in any given year. Each applicant must identify below the specific benefits or incentives for which it is applying. **THE PROGRAM IS COMPETITIVE AND THE MLSC HAS FULL DISCRETION AND AUTHORITY TO DETERMINE (1) WHICH COMPANIES, IF ANY, ARE ENTITLED TO RECEIVE BENEFITS OR INCENTIVES UNDER THE PROGRAM AND (2) THE AMOUNTS OF ANY SUCH BENEFITS OR INCENTIVES. SUBMISSION OF AN APPLICATION DOES NOT GUARANTEE THE AWARD OR RECEIPT OF ANY BENEFITS OR INCENTIVES UNDER THE PROGRAM.**

For more detailed information about the Program, or about becoming a Certified Life Sciences Company, please refer to the Program solicitation (the "Solicitation"), which can be found on the MLSC's website: www.masslifesciences.com.

If you have any questions about how to complete this application, please contact MLSC staff at 617.788.3604. However, MLSC staff cannot answer questions regarding the status of your Life Sciences Tax Incentive Program Application pending review and evaluation.

How to Submit an Application

Complete and submit the online Life Sciences Tax Incentive Program Application ("Application") available at [\[INSERT LINK\]](#). It is the sole responsibility of the applicant to ensure that this Application is complete and is properly submitted to the Massachusetts Life Sciences Center (MLSC).

Important Note Regarding Public Records

Any information submitted to the MLSC by the applicant in response to or in connection with the Application is subject to public disclosure requirements as set forth in the Massachusetts Public Records Act, M.G.L. c. 66 (the "Public Records Act"), which governs the retention, disposition and archiving of public records. For purposes of the Public Records Act, "public records" include all books, papers, maps, photographs, recorded tapes, financial statements, statistical tabulations, or other documentary materials or data, regardless of physical form or characteristics, made or received by the MLSC.

IT IS THE MLSC'S EXPECTATION AND BELIEF THAT THE OVERWHELMING PERCENTAGE OF DOCUMENTS IT RECEIVES FROM APPLICANTS WILL NOT CONTAIN ANY INFORMATION THAT WOULD WARRANT AN ASSERTION BY THE MLSC OF AN EXEMPTION FROM THE PUBLIC RECORDS ACT. APPLICANTS SHOULD THEREFORE TAKE CARE IN DETERMINING WHICH DOCUMENTS THEY SUBMIT TO THE MLSC IN CONNECTION WITH THIS APPLICATION, AND SHOULD ASSUME THAT ALL DOCUMENTS SUBMITTED TO THE MLSC ARE SUBJECT TO PUBLIC DISCLOSURE.

For more information about the Public Records Law and for a more detailed discussion of public disclosure requirements and procedures for the handling and submission of documents,

particularly those identified by the applicant as “sensitive information,” please see Section 8.1 of the Tax Incentive Program solicitation.

PART I – APPLICATION FOR CERTIFICATION

Under the Life Sciences Statute, each beneficiary of the Program must be designated by the MLSC as a “Certified Life Sciences Company.” Section 5(b) of the Life Sciences Statute outlines the certification process and the minimum criteria that each applicant must meet (for more information, please see: <http://www.mass.gov/legis/laws/mgl/23i-5.htm>). Part I of the Application sets forth the information each applicant must provide in order to be considered for certification.

Certification lasts for five years. Please be advised, however, that pursuant to Section 5(e) of the Life Sciences Statute, an applicant’s certification (together with any benefits or awards conferred by the MLSC) may be revoked by the MLSC in the event the representations made by the applicant in Part I of this Application are materially at variance with the results after receiving certification. Moreover, revocation is mandatory in the event that a certified life sciences company is materially at variance with its representations in any two consecutive years.

PLEASE REVIEW YOUR RESPONSES TO PART I OF THE APPLICATION CAREFULLY TO ENSURE THAT THEY ACCURATELY REFLECT YOUR EXPECTATIONS FOR PERFORMANCE OVER THE FIVE-YEAR PERIOD FOLLOWING CERTIFICATION, INCLUDING WITHOUT LIMITATION, FORECASTS RELATING TO REVENUE GENERATION, JOB GROWTH AND TAXABLE INCOME. IN THE EVENT ACTUAL RESULTS DIFFER MATERIALLY FROM THE FORECASTS PROVIDED, APPLICANT’S CERTIFICATION, TOGETHER WITH ALL TAX BENEFITS AWARDED UNDER THE PROGRAM MAYBE REVOKED, AT THE DISCRETION OF THE MLSC. IN THE EVENT ACTUAL RESULTS DIFFER MATERIALLY FOR TWO CONSECUTIVE YEARS, THEN REVOCATION OF CERTIFICATION AND ALL TAX BENEFITS IS MANDATORY.

Question 1

Provide the applicant organization’s full and complete legal name.

Question 2

Provide the applicant’s federal tax identification number and the jurisdiction in which the applicant was incorporated or organized.

Question 3

Provide the name of the person acting as the applicant’s authorized representative for purposes of this Application. This person must be an officer or director of the applicant, or other person directly authorized to act on behalf of the applicant.

Question 4

Provide the title of the authorized representative identified in response to Question 3.

Question 5

Provide the email address of the authorized representative identified in response to Question 3.

Question 6

Provide the applicant’s web address.

Question 7

Provide the applicant's business address (usually the business address of the person identified in the response to Question 3).

Question 8

Provide the applicant's telephone number (usually the number of the person identified in the response to Question 3).

Question 9

Provide the applicant's fax number (usually the fax number for the person identified in the response to Question 3).

Question 10

Provide the address of the applicant's corporate headquarters, if different from the business address identified in the response to Question 7.

Question 11

Provide the telephone number for the applicant's corporate headquarters, if different from the number identified in the response to Question 8.

Question 12

Provide the fax number for the applicant's corporate headquarters, if different from the number identified in the response to Question 9.

Question 13

Provide a brief summary of the applicant's business and primary product lines, if applicable. This description should be no longer than two sentences, but it should explain how the applicant's business relates to or is advancing life sciences, as well as a brief overview of the applicant's overall business strategy.

Question 14

Provide the applicable North American Industry Classification System (NAICS) code for the applicant's business. For more information on NAICS and to search for the applicable NAICS code, please go to: <http://www.census.gov/eos/www/naics/>.

Question 15

Check the box that corresponds to each life sciences category that accurately describes the applicant's business (you may check more than one). If none of the listed categories applies, please check "Other" and provide the name of the life sciences category that most accurately describes the applicant's business.

Question 16

Check the box that corresponds to the stage of development that most accurately describes that of the applicant. If none of the listed stages of development applies, please check "Other" and briefly describe the current stage of the applicant's business.

Question 17

Check the box that corresponds to the types of the applicant's existing investors or funding sources (please check all that apply). If the applicant has received significant funding from a source not listed, please check "Other" and briefly describe that source of funding.

Question 18

List the applicant's key personnel and management team. For each person listed, provide the person's name, title and a brief summary (no more than one sentence).

Question 19

Check the box that corresponds to the current number of employees working for the applicant (company-wide).

Question 20

Check the box that corresponds to the current number of employees working for the applicant in Massachusetts.

Question 21

Check the box that corresponds to the number of applicant's facilities (laboratories, manufacturing plants, offices, etc.) located in Massachusetts.

Question 22

Provide the address of each of the applicant's facilities (laboratories, manufacturing plants, offices, etc.) located in Massachusetts.

Question 23

Check the box that corresponds to the revenue (calculated in accordance with generally accepted accounting principles) projected to be generated from the applicant's Massachusetts operations over the next five years.

Question 24

Provide in the space provided the applicant's business plan and strategy, with specific goals and benchmarks, to achieve the revenue indicated in response to Question 23. The plan should also include an estimate of new commercial revenue that Massachusetts would not have otherwise received but for the applicant's Massachusetts operations.

Question 25

For each of the next five years, check the box that corresponds to the number of Massachusetts employees the applicant expects to hire or retain should applicant be awarded a tax benefit under the Program. "Year 1" refers to the first year after receiving an award and "Year 5" refers to the fifth year after receiving an award.

Question 26

For each of the next five years, check the box that corresponds to the average annual salary of the new Massachusetts employees identified in response to Question 25 (check only one box per year). "Year 1" refers to the first year after receiving an award and "Year 5" refers to the fifth year after receiving an award.

Question 27

For each of the next five years, check the box that corresponds to the estimated aggregate annual taxable income generated by the employees identified in response to Question 25 (check only one box per year). Taxable income is calculated pursuant to Massachusetts General Law, Chapter 62 (<http://www.mass.gov/legis/laws/mgl/62-2.htm>) and Chapter 63 (<http://www.mass.gov/legis/laws/mgl/62-3.htm>). For more information on the taxation of business corporations in Massachusetts, see Section 30 of Chapter 63 of the Massachusetts General Law (<http://www.mass.gov/legis/laws/mgl/63-30.htm>).

Question 28

Provide in the space provided applicant's plan or method to recruit new employees and to pursue a diverse workforce. The plan should identify specific efforts at creating a workplace that welcomes, respects and values people of all abilities, cultures, nationalities, religions, races, genders, sexual orientations, ethnic backgrounds and veteran's status.

Question 29

The Massachusetts Capital Access Program is designed to commit a portion of the small business deposits to fund loans to other local businesses. Each time a participating bank or financial institution originates a loan to a small business, the Capital Access Program requires that participating financial institution to set aside a small amount (between 1.5% and 3.5% of the principal amount of the loan) into a loss reserve covering all loans by that financial institution to small business borrowers under the program. If the applicant has entered an agreement with a financial institution under the Capital Access Program, please attach the agreement to this application in PDF format.

For more information about the Small Business Capital Access Program, see: http://www.mass.gov/?pageID=eheadterminal&L=3&LO=Home&L1=Start%2C+Grow+%26+Relocate+Your+Business&L2=Starting+a+Business&sid=Ehed&b=terminalcontent&f=mobd_new_biz_fin_prep&csid=Ehed.

Question 30

The Economic Development Incentive Program (EDIP) is a tax incentive program designed to stimulate business growth and foster job creation throughout the Commonwealth. The EDIP was created as a tool to attract and retain businesses in specific economic target areas (ETA). There is a three step process within the program, and each step must receive local approval as well as state approval by the Economic Assistance Coordinating Council (EACC). The EACC is responsible for designating Economic Target Areas (ETA), Economic Opportunity Areas (EOA), and certified projects.

If the applicant has received approval from the EACC for a certified project, please attach in PDF format documentation of such approval to this application. For more information about the EDIP and certified projects, please see:

http://www.mass.gov/?pageID=eheadterminal&L=3&LO=Home&L1=Start%2C+Grow+%26+Relocate+Your+Business&L2=Tax+%26+Incentives&sid=Ehed&b=terminalcontent&f=mobd_tax_incentives_edip_info&csid=Ehed.

Question 31

A Certificate of Good Standing is a certificate issued by the Department of Revenue indicating that a corporation, individual, sole proprietor, non-profit organization, partnership, limited liability company, limited liability partnership, trust or any other entity registered and filing taxes in Massachusetts has filed all necessary tax returns and has no unpaid tax liabilities. To obtain a Certificate of Good Standing, or for more information about Certificates of Good Standing, please go to the Department of Revenue's website:

<https://wfb.dor.state.ma.us/WEBFILE/CERTIFICATE/Public/Webforms/Welcome.aspx>

PART II – APPLICATION FOR TAX BENEFITS

Question 32

For each tax benefit for which applicant is applying, please indicate (i) the priority rank of the benefit (with “1” being highest priority), (ii) the estimated dollar value of such benefit for taxable year 2009 and (iii) the estimated cumulative dollar value of such benefit over the life of such benefit (if applicable). Benefits for which applicant is not applying should be left blank.

For example, consider an applicant that is applying only for a life sciences investment tax credit and a sales tax exemption for property used in certain development. Assuming the applicant’s top priority is the investment tax credit, the applicant would place a “1” in the “Rank” column next to the Life Sciences Investment Tax Credit and a “2” in the “Rank” column next to the Sales Tax Exemption for Property Used in Certain Development. The applicant would also complete the 2009 and cumulative estimates for these two benefits. All other rows, however, would be left blank.

The MLSC recognizes that the value calculations in response to Question 32 are only estimates. Neither certification nor any tax benefit awarded under the Program will be revoked in the event actual results differ from the estimated values provided in response to Question 32.

For more information about the specific tax benefits offered under the Program, please refer to Section 3.1 of the Solicitation.

Question 33

If there is a specific project underlying the tax benefit for which the applicant is applying, please provide in the space provided a brief description of the project. As part of the description, please include the name and address of project, and the specific project or investment plans, including detail on the type of expense to be incurred (construction, renovation, acquisition of equipment, etc.). In addition, please explain how the project fits into the applicant’s overall business strategy, and indicate the project’s commencement and completion dates (expected or actual).

Question 34

If there is a specific project underlying the tax benefit for which the applicant is applying, please provide in the space provided a brief description of the economic benefits that are anticipated or that have been achieved for the applicant and the project. For example, describe anticipated state and local tax benefits, municipal road or infrastructure improvements, assistance from local job training programs, the impact of local permit streamlining and other benefits anticipated or achieved from the project. Also, provide any information, documentation or studies demonstrating any additional benefits (i.e. reduction of blight, reuse of abandoned buildings, clean up of contaminated property, job training, provision of day care, any contributions to the community, etc.) likely to accrue (or that have accrued) as a result of the project.

Question 35

As noted in the instructions to Question 30, the EACC has identified certain Economic Target Areas (ETAs) throughout Massachusetts. Please indicate in the response to Question 34 whether the applicant’s operations or proposed project (if applicable) are located within a designated ETA, whether or not the project has received actual certification by EACC.

Question 36

Please include a description of the actions applicant has taken or intends to take to recruit its workforce from the population residing within an ETA. For a map of ETA locations, please visit the Massachusetts Office of Business Development's website:
http://www.mass.gov/Ehed/docs/mobd/tax_incentives/ma_eta_map_sept_08.pdf.

Question 37

By signing and submitting this Application, applicant expressly authorizes the Massachusetts Department of Revenue ("DOR") to release to the MLSC and any person or entity authorized to act on its behalf information contained on applicant's tax filings relevant to the tax benefit applied for pursuant to this Application and/or granted by the MLSC. Sharing of information between DOR and the MLSC is critical to ensure efficient and accurate administration of the Program and all benefits awarded to applicant.

MLSC agrees to keep such information confidential and to use such information solely for the purpose of evaluating this Application and administering the Program.

PART III – SUPPLEMENTAL INFORMATION

MLSC is committed to promoting best practices in a variety of areas, including innovation, labor relations, environmental sustainability and corporate governance, among others.

Question 38

One of MLSC's primary missions is driving innovation in life sciences. Provide in the space provided a brief description of how the applicant furthers this mission, including the applicant's potential to develop further technological advancements in life sciences and its potential to offer a breakthrough medical treatment for a particular disease or medical condition.

Question 39

Please provide in the space provided a brief description of the applicant's potential to leverage additional sources of funding for its operations or the specific project underlying the proposed tax benefit, if applicable. Please also explain the potential to attract additional resources to Massachusetts as well as the applicant's potential to promote life sciences manufacturing in Massachusetts.

Question 40

Please provide MLSC with an overview of applicant's business and technology. An executive summary (not to exceed three pages) of the applicant's business plan will usually suffice.

Question 41

Part A contains three separate affirmations regarding applicant's employee and labor practices. Please check all boxes that apply.

Part B asks whether applicant or any of its representatives has been subject of certain government actions. Please answer accordingly. If the answer to any question in Part B is yes, provide a brief description of the facts and circumstances of each instance.

Question 42

Please provide an overview of applicant's environmental policy, if applicable, and specifically its plan to reduce or minimize the impact of its operations and those of its suppliers on the environment.

Question 43

Please provide applicant's plan to promote best practices in corporate governance, including without limitation, with respect to financial and accounting policies, board structure and standards of employee conduct.

Question 44

The authorized representative indicated in the response to Question 3 should carefully read the acknowledgements and understandings set forth in Question 44. If the authorized representative understands and agrees, he or she should indicate their acceptance by signing and dating where indicated and providing his or her printed name and title.

FAILURE TO SIGN THIS APPLICATION OR TO SUBMIT ALL OF THE REQUESTED INFORMATION MAY RESULT IN A DISQUALIFICATION OF THE APPLICATION OR A DENIAL OF BENEFITS.

APPLICANTS SHOULD ALSO BE AWARE THAT SUBMISSION OF AN APPLICATION OR SATISFACTION OF ALL CERTIFICATION CRITERIA DOES NOT GUARANTEE FUNDING OR ANY OTHER BENEFITS FROM THE MLSC, NOT DOES IT IMPLY THE PROMISE OF FUNDING AT ANY TIME.

Authorized Applicant's Signature and Acceptance Form

Applicants are required to indicate that they have read, understood, and are willing to accept the terms of the tax incentive for which they are applying, and to the agreement memorializing receipt of such an award. Submission of the Authorized Respondent's Signature to the contained in the Application Package and Instruction will satisfy this requirement. Except under unforeseen circumstances, MLSC expects no negotiation of the terms of the benefit agreement.

SHOULD SUCH AN EXTRAORDINARY CIRCUMSTANCE EXIST, APPLICANTS ARE REQUIRED TO SPECIFY IN THEIR APPLICATION ANY EXCEPTIONS TO THE AGREEMENT AND TO MAKE ANY SUGGESTED COUNTERPROPOSAL IN THEIR APPLICATION. APPLICANTS WILL BE DEEMED TO HAVE ACCEPTED ANY TERMS OF THE AGREEMENT TO THE EXTENT THAT THE APPLICANT DOES NOT IDENTIFY SPECIFIC EXCEPTIONS TO THOSE TERMS OR DOES NOT MAKE ANY SPECIFIC COUNTERPROPOSAL IN THEIR APPLICATION. PROVISIONS OF THE AGREEMENT FOR WHICH NO EXCEPTION AND COUNTERPROPOSAL ARE SUBMITTED WITH THE APPLICATION SHALL NOT BE SUBJECT TO ANY FURTHER NEGOTIATION ONCE AN AWARD IS MADE, AND THIS PROHIBITION SHALL BE STRICTLY ENFORCED.

PLEASE NOTE: BY EXECUTING THE AUTHORIZED APPLICANT'S SIGNATURE AND ACCEPTANCE FORM CONTAINED AS PART OF THE APPLICATION AND SUBMITTING A RESPONSE TO THIS SOLICITATION, APPLICANTS CERTIFY THAT THEY (1) ACKNOWLEDGE AND UNDERSTAND THE PROCEDURES FOR HANDLING MATERIALS SUBMITTED TO MLSC, (2) AGREE TO BE BOUND BY THOSE PROCEDURES, AND (3) AGREE THAT MLSC SHALL NOT BE LIABLE UNDER ANY CIRCUMSTANCES FOR THE DISCLOSURE OF ANY MATERIALS SUBMITTED TO MLSC PURSUANT TO THIS SOLICITATION OR UPON THE APPLICANT'S SELECTION AS A GRANTEE.