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<td>67</td>
<td></td>
</tr>
</tbody>
</table>
The process below is an overview of a possible incentive from identification through execution and performance of a final agreement and does not necessarily mean that a project will continue through each stage.

Companies can apply for incentives through the MEDC at any time, and applications are reviewed as they are received. All business incentives must be presented to the Michigan Strategic Fund during a public meeting for approval consideration. The MEDC team will work with you to move through the process in order to gather all necessary materials and follow any necessary procedures leading up to board consideration and following a board approval, including public announcements that MEDC will make regarding any potential support approved by the board.

All incentives are subject to a business integrity review, background check process, and other general due diligence as required, the results of which must be satisfactory to the MEDC, the Office of the Chief Compliance Officer, and related authorities. Proposed incentives are dependent on availability of funds each fiscal year through the legislative appropriations process (State of Michigan operates on an October 1–September 30 fiscal year). Incentive amounts are contingent upon the ability of the project to meet program requirements and are subject to an application review and approval process.

**STEP 1**

**Project Identification and Initial Review**

**How to identify the project**

The MEDC team reviews a number of considerations when evaluating projects and potential positive impact to the state. As a general rule, if a project will result in significant job growth, high paying wages, and robust levels of investment as well as competing sites, MEDC may have the ability to support the project with incentive(s). For more information on available incentives, visit here.

**What type of questions are included in the application?**

The application will need to be completed in one attempt; therefore, it is important that applicants have all the above information on-hand upon the time of submission. Applicants may wish to record their answers in a separate word document and should gather all required attachments before starting the application.

**Where do applicants submit their completed applications?**

To review the application prior to submitting online, please refer to page 12.

MEDC will review a submitted application for alignment with its strategic plan, including:

- **Fit with MEDC strategic focus industry:** Demonstrated alignment with one of MEDC’s strategic focus industries.
- **ALICE wage consideration:** Review of wages paid to individuals to determine if employers are creating targeted, promising, and/or pathway jobs. The MEDC will review wages compared to the ALICE wage thresholds.

These tools are intended to support growth industries in MEDC’s strategic sectors in order to drive long term sustainable growth for the state of Michigan. Not all businesses may be eligible for incentives, however businesses are encouraged to utilize our incentives filter to learn more about what is available.

To learn more about different business tools available at the MEDC, click here.
• **Support of MEDC’s guiding principles, including:**
  » Regional impact: empower and support every region—from rural areas to urban cores—in improving economic outcomes.
  » Equitable, high-wage growth: drive equitable pathways toward high-wage growth by enabling industries, communities and businesses that provide opportunities for all.
  » Customer focus: ensure a customer (businesses, communities, entrepreneurs) and partner orientation in all we do.

**STEP 2**
**How to Apply**
- For projects identified through local partners, consultants, or companies, if you are ready to apply, either:
  » Complete the pre-application on MEDC’s website at www.michiganbusiness.org,
  or;
  » Reach out to MEDC’s [regional business development manager](https://www.michiganbusiness.org) based on the location of your business with any remaining questions or to discuss your project and next steps.

**STEP 3**
**MEDC Project Review and Support Letter**
- The pre-app will be reviewed and MEDC representative(s) will reach out to discuss the project and gather any additional information needed. This may be done through a conference call, face-to-face meeting, or web-conferencing meeting to discuss.
- The project review will then be finalized by the MEDC team and if applicable, an incentive offer letter will be sent for review within two business days.

**STEP 4**
**Incentive Offer Acceptance**
- When the offer letter is accepted, a web-based application will be sent to gather required information as part of the formal project application and due diligence, outlined in step 5, in order to move the project forward for approval consideration.

**STEP 5**
**Formal Project Application and Due Diligence Documentation**
- The company/client will complete the web-based application and submit to the MEDC team for review. A link to the appropriate application will be sent upon offer letter acceptance. An example of an application can be found on page 12 and will ask for information such as:
  » Contact name and email
  » Company name
  » Company address
  » Primary NAICS code of the project
  » Has a site been selected? If so, what is the address?
  » Narrative of the project
  » Project constraints
  » Project alternative(s)
  » Other project considerations
  » Number of and types of jobs to be created (skilled/unskilled/professional)
  » Wages (average hourly wage by job category)
  » Are employer paid benefits provided?
  » Total investment breakdown

• **Land**
• **New construction**
• **Personal property (e.g., machinery and equipment and/or furniture and fixtures)**
  » Brief description of financing structure
  » Certification of the application
• The MEDC team will request [background review](https://www.michiganbusiness.org) information and additional due diligence. Due diligence required for projects may include:
  » A certificate of good standing from [Michigan](https://www.michiganbusiness.org) and the state where the company was incorporated (if outside Michigan)
STEP 6
MSF Board Preparation and Approval Stage
• The term sheet outlining business terms of a proposed incentive, including milestones and amount of incentive that the MEDC team intends to recommend to the MSF board or its authorized delegates for approval, is drafted (“Incentive Terms”). An example of a term sheet can be found on page 39.
• The term sheet is then sent to the company/client for discussion as well as final review and acknowledgment.
• The MEDC team ensures applicant submits all legal due diligence materials as may be required by the MSF and/or MEDC legal staff.
• The MEDC team prepares a briefing memo (example on page 35) with a description of the project and recommendation to the MSF board or its authorized delegates for approval in accordance with the following thresholds:
  » Projects that are $1,000,000 or less may be considered for approval by MSF board delegates, which means the project does not need attend a monthly MSF meeting to present the project for approval consideration;
  » MSF board if proposed total incentive package amount is more than $1,000,000.*
  *If MSF board meeting is required, the project will be added to the next possible board agenda. Note: meetings occur on a monthly basis and are public meetings.
• Briefing memo and proposed resolution are then presented to the MSF board for consideration and action, or:
• Briefing memo is presented by MEDC team to the MSF board delegates for consideration and action.

STEP 7
Project Press Announcement
• A press release announcing the project is required for all projects receiving support from the MEDC/MSF. The MEDC communications team will coordinate a press release in conjunction with your company and team prior to any release. Project announcements are typically made within two weeks of the project being approved by MSF board delegates and are made immediately following the board meeting on approval for MSF board projects.
  » The release will at a minimum include:
    • Number of jobs being created
    • Amount of anticipated investment
    • Location of the project
    • Business case for incentive use (out of state competition)
    • Pictures/renderings of the project
    • Quotes from company representatives and local partners
  • Prior announcements can be found at the following link: www.michiganbusiness.org/press-releases

STEP 8
Preparation and Execution of Agreement
• Once the incentive award has been approved, an agreement will be drafted based off the term sheet and briefing materials presented before the MSF board or board delegates.
• The agreement is then sent by the MEDC legal team for review and execution by all parties. An example of a common agreement for the Michigan Business Development Program can be found on page 43.

STEP 9
Compliance and Disbursement
• Companies will be required to submit milestone reporting and annual reports, as prescribed in final agreement. This is done through the MEDC’s client
The MEDC compliance team will provide you with your personal disbursement milestone application. 
- MEDC compliance staff reviews milestone information and requests for disbursement to determine milestone completion against requirements in the agreement and documents findings.
- MEDC compliance staff sends request to MEDC finance staff for disbursement of funds.
- MEDC finance staff processes disbursement request.
- This process is repeated for each milestone due under the agreement.
- MEDC compliance staff monitors compliance with periodic reporting and any other requirements of the agreement.
- Additional audit and verification, including site visits, may be conducted to ensure ongoing compliance with the agreement.

STEP 10
Monitoring and Reporting
- The MEDC prepares and submits an annual legislative report due October 10 of each year. The legislative report includes program activities and metrics as required by the MSF Act for the immediately preceding fiscal year ending on September 30.
- The MEDC posts on a monthly basis a list of projects approved by the MSF board or its authorized delegates.
Open the Express Pre-Application using the link below.

[Express Pre-application]

Complete the following questions.

Express Pre-Application Process

MEDC is here to help you succeed. Please complete our express Pre-Application process by answering and submitting the questions below. If your project meets our incentive requirements, our business development team will have a proposal for you to review within two business days.

* Has your company (or parent company) been in business longer than 3 years?
  ○ Yes
  ○ No

* Is your company a 2nd stage growth company (beyond startup phase or no longer considered a ‘start-up’)?
  ○ Yes
  ○ No

* Do you have financing or capital in place to complete the project?
  ○ Yes
  ○ No

[Next]
Express Pre-Application Process

MEsC is here to help you succeed. Please complete our Express Pre-Application process by answering and submitting the questions below. If your project meets our incentive requirements, our business development team will have a proposal for you to review within two business days.

Company Information

* First Name: Joe

* Last Name: Smith

* Email Address: joe.smith@email.com

* Phone Number: 555-555-5555

* Company: ABC Company, Inc.

* Country: United States

* Street Address: 123 Main Street

* City: Lansing

* State/Province: MI

* Zip/Postal Code: 48864

* MI County: Ingham
Project Information

* Project NAICS
  - 325211

* Have you identified a Michigan site for your Project?
  - Yes
  - No

* Project Street Address
  - 123 Main Street

* Project City
  - Lansing

* Project Zip Code
  - 48864

* Project (Michigan) County
  - Ingham

* Narrative of Project
  - The Company is proposing to construct a 50,000 square feet addition to its existing 130,000 square feet manufacturing and warehouse facility in Lansing, Michigan. The addition will consist of 40,000 square feet for manufacturing widgets and the remaining 10,000 square feet will be used for warehousing purposes. The building addition is needed to meet the Company’s demands for its widgets and for the upcoming launch of its newest widget in 2023.

* Are you considering other states? If so, explain why. Are there other project alternatives?
  - The Company is considering its existing facilities in North Carolina and Missouri for this project. Both existing locations can be reconfigured resulting in a smaller addition of 30,000 square feet in North Carolina or 25,000 square feet in Missouri. This results in lower construction costs in both locations by at least $2,000,000 compared to Michigan.
## Express Pre-Application

### Jobs

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
<th><em>Average Hourly Wage</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Jobs Created - Unskilled</td>
<td>75</td>
<td>$20.00</td>
</tr>
<tr>
<td>New Jobs Created - Skilled</td>
<td>25</td>
<td>$28.00</td>
</tr>
<tr>
<td>New Jobs Created - Professional</td>
<td>20</td>
<td>$40.00</td>
</tr>
</tbody>
</table>

Total Jobs: 120

### Investment

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$50</td>
</tr>
<tr>
<td>New Construction/Renovation/Leasehold Improvements</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Personal Property (e.g. machinery equipment and/or furniture and fixtures)</td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>

Total Investment: $25,000,000.00

Click Submit
BDP
APPLICATION
Click on Edit Application.
Complete the questions.

Business Development Program APP-18442
ABC Company, Inc.

Contact Information

*First Name
Joe

*Last Name
Smith

*Email Address
joe.smith@email.com

*Phone Number
555-555-5555
# BDP Application

## Company Information

### Name and Location

<table>
<thead>
<tr>
<th><em>Company Name</em></th>
<th><em>Country</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Company, Inc.</td>
<td>United States</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><em>Street Address</em></th>
<th><em>City</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>123 Main Street</td>
<td>Lansing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><em>State/Province</em></th>
<th><em>Zip/Postal Code</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>MI</td>
<td>48864</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><em>MI County</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ingham</td>
</tr>
</tbody>
</table>

### Additional Information

<table>
<thead>
<tr>
<th><em>Primary NAICS</em></th>
<th><em>Company Website</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>325211</td>
<td><a href="http://www.abccompanyinctest.com">www.abccompanyinctest.com</a></td>
</tr>
</tbody>
</table>
**FEIN**
12-1234567

**Year Incorporated**
1990

**State Where Incorporated/Organized**
MI

**Entity Type**
C Corporation (Private)

**Fiscal Year Begins**
01/01

**Fiscal Year Ends**
12/31

**Brief Company History**
The Company was founded in 1990 developing, manufacturing, and selling widgets to Industry M. It is now seen as a leading supplier of widgets. The Company also has manufacturing and warehouse sites in North Carolina and Missouri. The Company employs 425 employees nationwide with 225 of those employees being in Michigan.

**Parent Company**
ABC Company, Inc.
123 Main Street
Lansing, MI 48864
Joe Smith
555-555-5555
Additional Locations

Michigan Employment Statewide: Enter the physical address of each Michigan facility of the Applicant and related entities, as well as any other entities housed at the project site(s). Include the Federal Employer Identification Number (FEIN) and number of employees (i.e. have taxes withheld by company or Professional Employer Organization). Contracts would typically not be included, unless the employer withholds taxes.

* Do you or any of your related entities have employees in Michigan?
  - Yes
  - No
Additional Locations

Michigan Employment Statewide: Enter the physical address of each Michigan facility of the Applicant and related entities, as well as any other entities housed at the project site(s). Include the Federal Employer Identification Number (FEIN) and number of employees (i.e., have wages withheld by company or Professional Employer Organization). Contracts would typically not be included, unless the employer withholds taxes.

* Do you or any of your related entities have employees in Michigan?
  • Yes
  • No

* Employment Data Pulled as of

Add Location

Save  Next >
Project Information

Description

* Have you identified a Michigan site for your Project?
  ● Yes
  ○ No

*Project Street
123 Main Street

*Project City
Lansing

*Project Zip Code
48864

Municipality Name
Lansing

*Project (Michigan) County
Ingham

* Will you lease or own the Facility?
  ● Own
  ○ Lease

* Is the site under consideration a reuse or expansion of an existing development?
  ● Yes
  ○ No
* Provide a narrative illustration of the proposed construction, rehab, and site improvements (investment); include # of buildings renovated or constructed, building(s) size (total square footage & # of stories), end use(s) & square footage mix.

The Company is proposing to construct a 50,000 square feet addition to its existing 150,000 square feet manufacturing and warehouse facility in Lansing, Michigan. The addition will consist of 40,000 square feet for manufacturing widgets and the remaining 10,000 square feet will be used for warehousing purposes.

* Demonstrate why the Incentive assistance is needed to ensure that this project will happen in Michigan.

The building addition is needed to meet the Company’s demands for its widgets and for the upcoming launch of its newest widget in 2023.

* Are you considering other states? If so, explain why. Are there other project alternatives?

The Company is considering its existing facilities in North Carolina and Missouri for this project. Both existing locations can be reconfigured resulting in a smaller addition of 30,000 square feet in North Carolina or 25,000 square feet in Missouri. This results in lower construction costs in both locations by at least $2,000,000 compared to Michigan.

* Explain any other factors that should be considered in evaluating this project e.g. impact on Michigan suppliers, national/international sales, and other prospects for future expansion, etc.

This expansion project will equip the Company’s Lansing, Michigan facility with the capacity for additional prospects for future growth and expansion opportunities.

Timeline

* When is hiring anticipated to begin?  
June 2022

* Planned Project Start Date  
March 2022.
Project Job Creation

*Will this project result in job creation?

- Yes
- No

Instructions

Complete the proposed employment for the first three full years of the project for each type of job. Include all qualified new jobs proposed. Qualified new jobs must be in excess of the number of jobs maintained in Michigan prior to the expansion or location and performed by a Michigan resident whose Michigan income taxes are withheld.

A full-time job is defined as a job performed by an individual who is paid for 35 hours or more per week. "Hours" include all hours paid, including, without limitation, straight time, overtime, vacation, personal time, sick time, holiday, bereavement, jury duty, etc. "Week" is defined as any week in which the Individual was paid. The actual calculation of "hours" and "weeks" shall include the timeframe from the hire date of the applicable position through the applicable record pull date used on a milestone submission or other applicable head count date.
New Job Type

Job Type (Standard Occupational Classification)

If you do not know the appropriate SOC code for the job you are submitting, please search this link for a SOC code or related job title.

If you do not see the Job Type you are looking for in the menu, type to Search the entire library.

* Select a Standard Occupation Classification (SOC Code)
51-4072 Molding, Coremaking, and Casting Machine Setters, Operators, and Tenders, Metal...

Year 1

* New Jobs Created: 25
* Average Hourly Wage: $20.00

Year 1-2

* New Jobs Created: 50
* Average Hourly Wage: $20.00

Year 1-3

* New Jobs Created: 75
* Average Hourly Wage: $20.00
**BDP APPLICATION**

* Desired Minimum Education Level
  High School

* Will this position receive training that leads to an industry recognized certification?
  
  ○ Yes
  □ No

* Healthcare Coverage
  At least 70% of costs covered by Employer provided health insurance

---

Click OK.
# BDP APPLICATION

## 51-4072 Molding, Coremaking, and Casting Machine Setters, Operators, and Tenders, Metal and Plastic

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 1-2</th>
<th>Year 1-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 Jobs</td>
<td>50 Jobs</td>
<td>75 Jobs</td>
</tr>
<tr>
<td>$20.00</td>
<td>$20.00</td>
<td>$20.00</td>
</tr>
</tbody>
</table>

**Healthcare Coverage**
At least 70% of costs covered by Employer-provided health insurance.

**Desired Minimum Education**
Level: High School

**Will this position receive training that leads to an industry recognized certification?**
No

## 51-1011 First-Line Supervisors of Production and Operating Workers

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 1-2</th>
<th>Year 1-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Jobs</td>
<td>20 Jobs</td>
<td>25 Jobs</td>
</tr>
<tr>
<td>$28.00</td>
<td>$28.00</td>
<td>$28.00</td>
</tr>
</tbody>
</table>

**Healthcare Coverage**
At least 70% of costs covered by Employer-provided health insurance

**Desired Minimum Education**
Level: Bachelor's or Higher

**Will this position receive training that leads to an industry recognized certification?**
No
# BDP APPLICATION

17-2141 Mechanical Engineers

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 1-2</th>
<th>Year 1-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs</td>
<td>Jobs</td>
<td>Jobs</td>
</tr>
<tr>
<td>5</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>$40,000</td>
<td>$40,000</td>
<td>$40,000</td>
</tr>
</tbody>
</table>

**Healthcare Coverage**
At least 70% of costs covered by Employer provided health insurance.

**Desired Minimum Education Level**
Bachelor’s or Higher

**Will this position receive training that leads to an industry recognized certification?**
No

**Job Totals**

<table>
<thead>
<tr>
<th>Year 1 Total</th>
<th>Year 1-2 Total</th>
<th>Year 1-3 Total</th>
<th>Total Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>85</td>
<td>120</td>
<td>120</td>
</tr>
</tbody>
</table>
Investment

Capital Investments

* Is there Capital Investment to report?
  ○ Yes
  ○ No

Add Proposed Investment:

Financing

* Is financing secured?
  ○ Yes
  ○ No
BDP APPLICATION

New Proposed Investment

*Investment Type
Building • Renovations

*Year 1  *Year 2  *Year 3
$10,000,000  $10,000,000  $0

Click OK.
## BDP APPLICATION

### Building - Renovations

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Year 2</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Year 3</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Personal Property - Machinery & Equipment

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Year 2</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Year 3</td>
<td>$0</td>
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</table>

### Proposed Investment Totals

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$12,500,000</td>
</tr>
<tr>
<td>Year 2</td>
<td>$12,500,000</td>
</tr>
<tr>
<td>Year 3</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$25,000,000.00</strong></td>
</tr>
</tbody>
</table>

### Financing

- Is financing secured?
  - Yes
  - No

[Save] [Next >]
Disclosures

* List any lawsuits or proceedings pending, or resolved by settlement or other disposition within the last five years, other than ordinary routine litigation incidental to the business, against the Applicant Entity or, to the Applicant’s knowledge, filed against the Applicant Entity or any of its affiliates. Include similar information as to any such proceedings known to be contemplated by governmental authorities. Enter NONE if not applicable.

NONE

* List any administrative agency proceedings pending, or resolved by settlement or other disposition within the last five years, other than ordinary routine proceedings of all states incidental to the business, against the applicant by governmental authorities. Include similar information as to any such proceedings known to be contemplated by governmental authorities. Enter NONE if not applicable.

NONE
Certification

* ✔ On behalf of the Applicant Entity, I authorize the Michigan Economic Development Corporation (MEDC), Office of the Chief Compliance Officer (CCO), the Department of Attorney General and/or the Michigan Strategic Fund (MSF) to review information provided to the State of Michigan Department of Licensing and Regulatory Affairs (LARA), Department of Labor and Economic Opportunity (LEO) or any other State of Michigan Department or Agency for purposes of verifying information provided in support of the Applicant’s request for incentive assistance.

* ✔ Further, I authorize the MEDC, CCO, the Department of Attorney General, and/or MSF, or any of their designees to perform background checks as required by the MSF.

I understand that the Applicant Entity will not be able to enter into a written agreement between the company and the MSF unless all of the following are met:

* ✔ The Applicant Entity has demonstrated the need for the incentive assistance.

* ✔ The Applicant Entity agrees to provide all data described in the written agreement necessary for the MSF to report to the Legislature as required by the Act.

* ✔ I hereby certify that the information contained in this application and in the exhibits or attachments submitted are true and correct to the best knowledge of the Applicant and the undersigned, and are submitted to the MEDC as a basis for determining whether the MSF should consider to authorize incentive assistance for the project.
Your BDP Application has been submitted. Your MEDC representative will contact you to discuss your project further.
Parent name

EIN

Address

# of employees

Subsidiary 1: Company name

EIN

Address 1; # of employees

Address 2; # of employees

Percent ownership

Include all Michigan addresses

if entity has multiple

locations in Michigan

Subsidiary 2: Company name

EIN

Address

# of employees

Percent ownership

Include all Michigan addresses

if entity has multiple

locations in Michigan

Subsidiary 3: Company name

EIN

Address

# of employees

Percent ownership

Include all Michigan addresses

if entity has multiple

locations in Michigan

Subsidiary 2(a): Company name

EIN

Address

# of employees

Percent ownership

Include all Michigan addresses

if entity has multiple

locations in Michigan

Subsidiary 2(b): Company name

EIN

Address

# of employees

Percent ownership

Include all Michigan addresses

if entity has multiple

locations in Michigan
MEMORANDUM

Date: Month Day, Year

To: Delegates of the Michigan Strategic Fund (“MSF”) Board

From: First Name Last Name, Business Development Project Manager

Subject: Grant Request
Michigan Business Development Program (“MBDP”)
ABC Company, Inc. (“Company” or “Applicant”)

Request Summary
- This is a request from the Applicant for a $540,000 MBDP Grant, as outlined in the attached Term Sheet (“MBDP Request”).
- This project involves the creation of a minimum of 61 Qualified New Jobs up to a maximum of 120 Qualified New Jobs and a capital investment of up to $25,000,000 in Municipality Y, County Z.

Applicant History
The Company was founded in 1990 developing, manufacturing, and selling widgets to industry M. It is now seen as a leading supplier of widgets. The Company’s headquarters and design center is located in Municipality A, Michigan. Additionally, the Company has one of its three manufacturing and warehouse sites in neighboring Municipality Y, Michigan. The other two manufacturing and warehouse sites are in North Carolina and Missouri. The Company employs 425 employees nationwide with 225 of those employees being in Michigan.

A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

Project Description
The Company is proposing to construct a 50,000 square foot addition to its existing 130,000 square foot manufacturing and warehouse facility in Municipality Y, Michigan. The addition will consist of 40,000 square feet for manufacturing widgets and the remaining 10,000 square feet will be used for warehousing purposes. The building addition is needed to meet the Company’s demands for its widgets and for the upcoming launch of its newest gadget in 20XX.

The Company is considering Municipality Y for the project and anticipates the project will result in capital investment of up to $25,000,000. The project will also result in the creation of up to 120 new jobs paying an average wage of $1,000 per week plus benefits.

The Company supports professional and personal growth of its employees by offering career discussions for its hourly team members to further engage and grow their skillsets. The Company offers 50% tuition reimbursement for trades, computer, and college education. The company also provides health, dental and vision insurance to all its employees. The Company promotes from within for all levels of management and supervisory positions. Evidence of this is shown in its leadership team that represents many individuals who started at the Company with entry level positions. The variety of positions being created for this project all require various skill levels and education which, in turn, helps reduce barriers to job access within disadvantaged and limited skilled populations. The Company utilizes Michigan Works to reach local talent.
in disadvantaged areas and underrepresented employees and is open to helping employees obtain access to its facility for career positions.

**Demonstrated Need**
The Company is considering its existing facilities in City G, North Carolina and City H, Missouri for this project. Both existing locations can be reconfigured resulting in a smaller addition of 30,000 square feet in North Carolina or 25,000 square feet in Missouri. This results in lower construction costs in both locations by at least $2 million dollars compared to Michigan. The Company has also received competitive tax incentives and other incentives for the creation of new jobs from both states.

The Company is attracted to expanding its facility in Michigan due to the synergy and ease of collaboration it would create with its headquarters and design center along with its strong senior leadership at the Michigan manufacturing facility. Even though the Company would like to do this expansion project in Michigan, incentive assistance is necessary to ensure the project moves forward in Michigan to offset the cost of building construction. In addition to MSF support, the Municipality Y anticipates approval of a real property tax abatement.

**Request**
In order to secure the project, the Applicant is requesting a $540,000 MBDP performance-based grant. The MBDP request will help address the cost disadvantage of locating the project in Michigan when compared to the competing sites outside of Michigan. The MBDP funds will help offset the cost of expanding its existing facility allowing the Company to further solidify its presence and future business in the state.

This project aligns with the MEDC’s strategic focus area of supporting a business in the target industry of advanced manufacturing. The proposed project will also impact the local region with job growth with a large and expanding widgets supplier. This facility will result in the creation of up to 120 new jobs and up to $25,000,000 in capital investment in Municipality Y, County Z.

**Considerations**
- a) The Applicant is a “Qualified Business,” as defined in MCL 125.2088r(7)(b), that is located and operates in Michigan.
- b) The project will be located in Municipality Y. The Municipality Y has offered a “staff, financial, or economic commitment to the project” in the form of a tax abatement, which amounts to a reduction in property taxes of approximately 50%, which will help reduce the overall cost of doing the project in Michigan.
- c) The Applicant has demonstrated a need for the funding. The MBDP request will help address the disadvantage of locating the project in Michigan when compared to the competing sites outside of Michigan.
- d) The Applicant plans to create 120 Qualified New Jobs above a statewide base employment level of 425.
- e) Pursuant to the program guidelines, the project is eligible as a Standard MBDP because the Applicant committed to the creation of at least 50 QNJs.

**Recommendation**
MEDC Staff recommends the following (collectively, “Recommendation”):
- a) Approval of the MBDP Request;
- b) Closing the MBDP Request, subject to available funding under the MBDP at the time of closing (“Available Funding”), satisfactory completion of due diligence, (collectively, “Due Diligence”), finalization of all MBDP transaction documents; and
Commitment will remain valid for 120 days with approval for the MSF Fund Manager to extend the commitment an additional 60 days.

Approval Authority – MBDP Support Memo

Michigan Economic Development Corporation

Stacy Bowerman, Senior Vice President, Business Development Projects & Services

The Recommendation is approved subject to Available Funding and Completion of Due Diligence, and execution of all MBDP transaction documents, all in accordance with the MBDP and its guidelines.

Note: Pursuant to Section 125.2088r-1 of the MSF Compiled Resolutions, the MSF President, the MSF Fund Manager, and State Treasurer, with any two required to act, may make all decisions with respect to awards under the MBDP where the award amount is $1,000,000 or less in accordance with the MBDP guidelines adopted by the MSF Board.

Michigan Strategic Fund

By: Valerie Hoag
Its: Fund Manager

By: Quentin L. Messer, Jr.
Its: Chairperson & President

N/A

By: Rachel Eubanks, State Treasurer
Its: Director
TERM SHEET EXAMPLE

MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Incentive - Term Sheet - Definitions

This document contains terms and definitions, which will be used to structure this Incentive. While the Michigan Business Development Program ("MBDP") is operated and funded through the Michigan Strategic Fund ("MSF"), recommendation for approval of a MBDP incentive award is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF. Exhibit A will be presented to the MSF for consideration.

Terms and Definitions:

Base Employment Level: The number of jobs maintained in Michigan by the Company based on data submitted by the Company to the MEDC reflecting the Company's statewide employment level in Michigan prior to the proposed project. The Base Employment Level, including identification of the Company data used to establish this level, shall be included in the final MBDP Incentive Award Agreement ("Agreement") between the MSF and the Company. Temporary reductions in the Base Employment Level are permissible prior to the first disbursement of funds, but, subsequently, the Base Employment Level will be required to be maintained through the Term of the Agreement.

Qualified New Job Creation: The minimum number of total Qualified New Jobs ("QNJ") the Company shall be required to create at the Project Location (above the Base Employment Level), in addition to satisfying other milestones if applicable, to be minimally eligible to receive the full amount of the MBDP Incentive Award. Each Qualified New Job must be a Full-Time Job performed for consideration by an individual who is a resident of Michigan, and whose Michigan income taxes are withheld as required. Each Qualified New Job must be in excess of the Base Employment Level. The final terms and conditions of the requirements for the minimum number of Qualified New Jobs that must be created, including provisions addressing disbursements of portions of the MBDP Incentive, shall be included in the final Agreement.

Full-Time Job: means jobs performed by an individual who is paid for 35 hours or more per week. "Hours" include all hours paid including, without limitation, straight time, overtime, vacation, personal time, sick time, holiday, bereavement, jury duty, etc. "Week" is defined as any week in which an individual was paid. The actual calculation of "hours" and "weeks" shall include the timeframe from the hire date of the applicable position through the applicable record pull date used on a milestone submission or other applicable head count date.

Company Investment: The Company anticipates investment of up to $25,000,000 for new construction and machinery and equipment, or any combination thereof, for the Project.

Municipality Support: One of the conditions of execution of the final Agreement is the requirement that the municipality shall have committed to provide Local Economic Area Partnership has provided staff, financial or economic assistance.

Disbursement Milestones: The final terms and conditions of each of the disbursements of any portion of the MBDP Incentive award shall be included in the final Agreement, including that before any disbursement is made to the Company, the Company must have: (i) met the Base Employment Level, (ii) subsequently maintain the Base Employment Level through the remainder of the Term of the Agreement, and (iii) maintained any Qualified New Jobs for which disbursements by the MSF have been made, and the Company must otherwise be in compliance with all terms and conditions of the final Agreement, and further shall include:

On January 31st of each year, the Company may request disbursement equal to $4,500,000 for each Qualified New Job (up to 120 Qualified New Jobs and not to exceed the total amount of $540,000) upon demonstration that the Base Employment Level and any Qualified New Jobs for which disbursements have previously been made have been maintained, and provided that:

1. On January 31, 2023, the Company has created a minimum of at least 30 up to 60 Qualified New Jobs above the Base Employment Level; and

November 23, 2021 – ABC Company, Inc.
2. On January 31, 2024, the Company has created a minimum of 61 up to 90 Qualified New Jobs above the Base Employment Level; and

3. On January 31, 2025, the Company has created a minimum of 91 up to 120 Qualified New Jobs above the Base Employment Level.

The Company shall receive disbursement for each Qualified New Job only once. In any given year, should the Company not achieve the number of Qualified New Jobs for which disbursements have been previously made, the Company shall not receive disbursement that year. Should a Company fail to meet the minimum QNJ requirement in two consecutive years, the Company will be in default of the Agreement and the MSF may end all future disbursements.

Repayment Provisions: Repayment provisions are required by law. The repayment terms and conditions will be effective through the Term of the Agreement and shall be defined in the final Agreement. The final repayment provisions may require repayment of some or all of the disbursements made by the MSF, including if the Company moves 25% or more of their employees out of Michigan, if the Company fails to maintain the Base Employment Level of Michigan after first disbursement of funds, and/or if the Company fails to maintain the Qualified New Jobs Incented by this Award.

Reporting Requirements: Periodic reporting will be required with this program. The detailed information needed from the Company will be included in the final Agreement, but will include Project reporting for such things as: amount of proposed incentive; amount of actual incentive received by Company; amount of proposed and actual investment made by Company for Project; and the committed number of new jobs and the actual number of new jobs created as a result of the Project.

Public Announcements: The Company shall not make, or cause, any announcement of the proposed MBDP Incentive award parameters outlined in this letter before the date of approval by the MSF of the MBDP Incentive award, unless authorized and coordinated with the MEDC. At the request and expense of the MSF or the MEDC, the Company will cooperate with the MSF or the MEDC to promote the Project through one or more of the placement of a sign, plaque, media coverage or other public presentation at the Project or other location acceptable to the Parties.

November 23, 2021 – ABC Company, Inc.
EXHIBIT A
MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Incentive - Term Sheet - Summary

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP").

Date: November 23, 2021

Company Name: ABC Company, Inc. and/or its affiliates and subsidiaries.

Project Location: 123 Main Street
Municipality Y, MI 48XXX

MBDP Incentive Type: Performance Based Grant

Maximum Amount of MBDP Incentive: Up to $540,000

Base Employment Level: At least 225, at the time of first disbursement of funds and thereafter

Maximum Number of Qualified New Jobs ("QNJ"): Up to 120 Full-Time Jobs at the Project Location

Municipality Supporting Project: Local Economic Area Partnership has agreed to provide staff, financial or economic assistance in support of the project.

Start Date for Measurement of Creation of Qualified New Jobs: Date of MSF Approval

Term of the Agreement: July 31, 2025

Milestone Based Incentive: Disbursements will be made over a three-year period and each are contingent upon compliance with the Agreement and performance based on job creation, as follows:
- $4,500 per QNJ for the creation of a minimum of 30 jobs up to a maximum of 60 jobs.
- $4,500 per QNJ for the creation of a minimum of 61 jobs up to a maximum of 90 jobs.
- $4,500 per QNJ for the creation of a minimum of 91 jobs up to a maximum of 120 jobs.

The detailed numbers, and statutorily required repayment and reporting provisions, will be reflected in the subsequent transaction documents.

Acknowledged as received by:

ABC Company, Inc.  Michigan Economic Development Corporation
By: ___________________________  By: ___________________________
Printed Name: ___________________________  Printed Name: ___________________________
Its: ___________________________  Its: ___________________________

November 23, 2021 – ABC Company, Inc.
GRANT AGREEMENT
EXAMPLE
GRANT AGREEMENT EXAMPLE

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MICHIGAN BUSINESS DEVELOPMENT PROGRAM

GRANT AGREEMENT

THIS GRANT AGREEMENT (this "Agreement"), effective as of MONTH XX, 20XX (the "Effective Date"), is between the Michigan Strategic Fund (the "MSF"), whose address is 300 North Washington Square, Lansing, Michigan 48913, and COMPANY, a Michigan/Delaware corporation, (the "Grantee" or "Company"), whose address and principal office is ADDRESS. As used in this Agreement, the MSF and the Company are, individually, a "Party" and, collectively, the "Parties".

RECITALS

A. The Michigan Strategic Fund Act (MCL 125.2001 et seq.), amended, includes Section 88r (MCL 125.2088r), to enable the MSF to create and operate the Michigan business development program to provide grants, loans or other economic assistance to qualified businesses that make qualified investments and/or create qualified new jobs in the State of Michigan.

B. Under the control and direction of the MSF Board, staff of the Michigan Economic Development Corporation, a public body corporate (the "MEDC"), provides administrative services for the MSF.

C. On December 21, 2011, the MSF Board established the Michigan Business Development Program (the "MBDP") and associated guidelines to govern the MBDP, which have been amended from time to time.

D. The Company submitted to the MEDC an Application for incentive assistance under the MBDP dated MONTH XX, 20XX.

E. The Company is eligible under the associated guidelines governing the MBDP as [COMPLETE WITH ONE OF THE FOLLOWING]

[IF STANDARD] a Standard because the Company has committed to create at least fifty (50) QNJs.

[IF RURAL] a Rural because the Project is located in [XXXX] County, Michigan [Identify rural county in which the population is 90,000 or less based on the most recent census data].

[IF INNOVATION] an Innovation because the Company's operations at the Project will be within [XXXX] industry [Identify the Innovation Industry, as it is defined in the Michigan Business Development Program Guidelines].

[If Micro - CHOOSE ONE OF THE FOLLOWING]

a Micro because the Company's operations at the Project will be within a XXXX industry [Identify the MEDC Strategic Focus Industry or a Regional Impact Industry].

a Micro because the Project is located within XXXX, Michigan [Identify Geographically Disadvantaged Area, as it is defined in the Michigan Business Development Program Guidelines].

a Micro because the Project is located in XXXX, Michigan [Identify municipality with a population of less than 15,000].

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a Micro because the Project is located in XXXX, Michigan [Identify a municipality within the State with a population of 25,000 or more and an unemployment rate greater than the State’s average].

F. On XXXXX, the MSF approved a performance based MBDP grant award to the Company in the amount of up to Four Hundred Thousand Dollars ($400,000) to be disbursed under the terms of this Agreement (the “Grant”).

G. The Company desires to obtain the Grant to [ADD THE FOLLOWING ADDITIONAL LANGUAGE TO INCLUDE ON TRANSACTIONS INVOLVING QUALIFIED INVESTMENT make a qualified investment to the Project and] create qualified new jobs within the State of Michigan consistent with this Agreement.

In consideration of the recitals and promises in this Agreement, the Parties agree:

ARTICLE I

DEFINITIONS

Section 1.1 Defined Terms. Except as otherwise defined in this Agreement, all capitalized terms in this Agreement shall have the respective meanings set forth on Exhibit A, which contains the defined terms for this Agreement.

Section 1.2 Construction of Certain Terms. Unless the context of this Agreement otherwise requires: (i) words of any gender include each other gender; and (ii) words using the singular or plural number also include the plural or singular number.

ARTICLE II

GRANT

Section 2.1 Grant Commitment. Subject to the terms and conditions of this Agreement, and in reliance upon the representations and warranties of the Company set forth in this Agreement, the MSF agrees to make, and the Company agrees to accept, the Grant.

Section 2.2 Grant Manager. The MSF Fund Manager shall designate a Grant Manager to administer this Agreement and monitor the performance of the Company and Grant Disbursements under this Agreement.

Section 2.3 Grant Disbursement Procedure.

(a) Vendor Registration. Payments under this Agreement will be processed by electronic funds transfer (EFT). The Company shall register to receive payments by EFT at the State Integrated Governmental Management Applications (SIGMA) Vendor Self Service (VSS) website (www.michigan.gov/VSSLing).

(b) Key Milestones and Conditions to Grant Disbursements.

(i) The MSF’s obligation to fund any portion of the Grant is subject to all of the terms and conditions of this Agreement, including the Company being in compliance with this Agreement.

(ii) Subject to all other terms and conditions in this Agreement, no Grant Disbursements shall be paid to the Company:
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(1) sooner than One-Hundred Eighty (180) calendar days before the particular Key Milestone Completion Date, unless otherwise waived by the MSF Fund Manager;

(2) if another Grant Disbursement Request submitted by the Company is pending review and action of the Grant Manager as more particularly described in Section 2.3(d); and

(3) for any QNJ for which Grant Disbursements have already been paid.

(iii) Subject to Section 2.3(b)(i) and Section 2.3(b)(ii), the Company may only submit a Grant Disbursement Request:

(1) after achieving a Key Milestone by the applicable Key Milestone Completion Date;

(2) if all obligations required in all previously approved Key Milestones have been and continue to be completely achieved to the satisfaction of the Grant Manager; and

(3) if the Company has not failed to achieve the requirements for the previous two consecutive Key Milestones.

(c) Calculation of Hours Paid for a Full-Time Job. The Grant Manager determines if an individual submitted by the Company in support of a QNJ in a Grant Disbursement Request qualifies as a Full-Time Job. A Full-Time Job shall be calculated using all Hours Paid and all Weeks Paid in the timeframe from the hire date of the applicable position through the applicable record pull date used on a Key Milestone submission or other applicable head count date, as determined by the Grant Manager. The Grant Manager will use the following formula to determine if an individual has been paid the minimum of 35 hours per week, as required by the definition of a Full-Time Job:

\[
\text{Hours Paid} = \frac{\text{average hours paid per week}}{\text{Weeks Paid}}
\]

(d) Grant Manager Review. The Grant Manager determines compliance with the Key Milestones. The Grant Manager shall within thirty (30) business days of receipt of a Grant Disbursement Request, do one or more of the following:

(i) request, to the extent it is related to determining compliance with this Agreement, to review Company records, request additional information, or request a site visit to the Company, or any combination, of which shall be determined in the sole discretion of the Grant Manager. The Company shall comply with the request within thirty (30) calendar days; in the satisfaction of the Grant Manager, or the Grant Manager shall reject the Grant Disbursement Request in the manner provided in Section 2.3(d)(ii); or

(ii) reject the Grant Disbursement Request, by providing an explanation of the reason for the rejection, which may be based on any one or more of the following: (A) the failure of the Company to demonstrate achievement of the applicable Key Milestone, (B) there is an outstanding Event of Default, or (C) the Company is otherwise not in compliance with this Agreement; or

(iii) approve the Grant Disbursement Request provided there is no outstanding Event of Default, the Company is otherwise in compliance with this Agreement, and the Company has achieved and maintained all of its then required Key Milestones to the satisfaction of the Grant Manager.
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If after receipt of a Grant Disbursement Request, the Grant Manager requests to review Company records, requests additional information or otherwise conducts a site visit, the Grant Manager shall take the action set forth in Section 2.3(d)(ii) or Section 2.3(d)(iii), within an additional thirty (30) business days of the last to occur of: (A) the date the Company provides the requested records and requested additional information or (B) the date the Grant Manager completes the site visit.

ARTICLE III

REPRESENTATIONS AND COVENANTS OF THE COMPANY

The Company represents and warrants to the MSF from the Effective Date through the Term:

Section 3.1 Organization. The Company is duly organized and in good standing in its state of organization, and in good standing and registered to conduct business in the State, and has the power and authority to enter into and perform its obligations under this Agreement. The Company has, or will have, business operations and employees located within the State.

Section 3.2 Company Authority. The execution, delivery and performance by the Company of this Agreement has been duly authorized and approved by all necessary and proper action on the part of the Company and will not violate any provision of law, or result in the breach, be a default of, or require any further consent under any of the Company’s organizational and governing documents; or any agreement or instrument to which the Company is a party, or by which the Company or its property may be bound or affected. This Agreement is valid, binding, and enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, moratorium, reorganization or other laws or principles of equity affecting the enforcement of creditors’ rights generally or by general principles of equity.

Section 3.3 Consent. No consent or approval is necessary from any governmental or other entity, except the MSF, as a condition to the execution and delivery of this Agreement by the Company or the performance of any of its obligations under this Agreement.

Section 3.4 Full Disclosure. Neither this Agreement, the Application, nor any written statements or certificates furnished by the Company to the MEDC or the MSF in connection with the making of the Grant and Agreement contain any untrue statement of material fact, or to the best of the Company’s knowledge, omit any material fact necessary to make the statements true. There are no undisclosed facts, which materially adversely affect or, to the best of the Company’s knowledge, are reasonably likely to materially adversely affect the business or properties of the Company or the ability of the Company to perform its obligations under this Agreement.

Section 3.5 Litigation or Other Proceedings. Except as has been disclosed in writing to the MSF, to the knowledge of the Company, there are no suits or proceedings pending or, to the knowledge of the Company, threatened by or before any court, governmental commission, board, bureau, or other administrative agency or tribunal, which, if resolved against the Company, would have a material adverse effect on the financial condition or business of the Company or impair the Company’s ability to perform its obligations under the Agreement.

Section 3.6 Compliance with Laws. To its knowledge, the Company is not and will not during the Term be in material violation of any laws, ordinances, regulations, rules, orders, judgments, decrees or other requirements imposed by any governmental authority to which it is subject and will not knowingly fail to obtain any licenses, permits or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain are reasonably likely to materially and adversely affect its business, profits, properties or condition (financial or otherwise).
Section 3.7 Prohibited Use of Grant Disbursements. The Company shall not use any Grant Disbursements for the development of a stadium or arena for use by a professional sports team or development of a casino or property associated or affiliated with the operation of a casino as prohibited by the Act (see MCL 125.2088c(3)(a) and (b)), or to induce the Company, a qualified business, or small business to leave the State of Michigan, or to contribute to the violation of internationally recognized workers’ rights, of workers in a country other than the U.S., or to fund an entity incorporated in a tax haven country, as prohibited by the Act (see MCL 125.2088c(4)(c), (d), and (e)).

Section 3.8 Criminal or Civil Matters. The Company affirms that to the best of its knowledge that it or its Affiliates, subsidiaries, officers, directors, managerial employees, and any person who, directly or indirectly, holds a pecuniary interest in the Company of Twenty percent (20%) or more: (i) do not have any criminal convictions incident to the application for or performance of a state contract or subcontract; and (ii) do not have any criminal convictions or have not been held liable in a civil proceeding, that negatively reflects on the person’s business integrity, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or violation of state or federal antitrust statutes.

Section 3.9 Conflict of Interest. The Company affirms that there exists no actual or potential conflict of interest between the Company, the Company’s Key Personnel or its Key Personnel’s family, its business, or any financial interest and the performance by the Company under this Agreement. Further, the Company affirms that it has an internal conflicts of interest policy in place to discover and avoid current or future conflicts of interest of the nature described in this Section that may arise.

The Company affirms that there exists no actual or potential conflict of interest between the Company and its owners, officers, directors, managers, members, or employees and any of the Indemnified Persons and the performance by the Company of its obligations under this Application. The Company further affirms that neither the Company, nor its owners, officers, directors, managers, members, or employees, have accepted, shall accept, have offered, or shall offer, directly or indirectly, anything of value to influence the Indemnified Persons.

Section 3.10 State Required Terms. The Company shall comply with its representations, warranties, and obligations as required and set forth in Exhibit C.

Section 3.11 Taxes. The Company is current, under an approved payment plan, or otherwise contesting in good faith, all federal, State of Michigan, local and real estate taxes. Unless contested in good faith and discharged by appropriate proceedings, or under an approved payment plan, the Company shall, through the Term, promptly pay and discharge all such taxes, any assessments, and any governmental charges lawfully levied or imposed upon it (in each case, before they become delinquent and before penalties accrue).

Section 3.12 Change of Legal Status. The Company shall (a) give the MSF written notice of any change in its name, its state organizational identification number, if it has one, its type of organization, its jurisdiction of organization, and (b) not make any change in its legal structure that would, as a matter of law, affect its surviving obligations under this Agreement, without the prior written consent of the MSF, which consent shall not be unreasonably withheld.

Section 3.13 Company Investment. The Company intends to invest up to XXXXX DOLLARS ($XXXX) for the Project (specific to each deal – i.e.: in new building construction, building acquisition, annual lease costs, leasehold improvements, the purchase of machinery and equipment, furniture and fixtures, computers and IT, special tooling, or any combination thereof. The Company shall invest no less than the Qualified Investment.) [ADDITIONAL LANGUAGE TO INCLUDE ON TRANSACTIONS]
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INVOVING QUALIFIED INVESTMENT. IF QUALIFIED INVESTMENT ONLY – TEMPLATE WILL NEED SUBSTANTIAL MODIFICATIONS]

Section 3.14 Failure to Achieve Milestones. The Company shall not fail to achieve the requirements of two consecutive Key Milestones by the applicable Key Milestone Completion Dates.

Section 3.15 Base Maintenance. The Company shall maintain the Base Employment Level from the approval by the Grant Manager of the first Grant Disbursement through the Term.

Section 3.16 QNJ's Transferred Out of State. The Company shall not transfer out of the State Twenty-Five (25%) or more of the total number of jobs determined by adding (A) the Base, plus (B) the number of any QNJ's for which a Grant Disbursement has been made, rounded down to the nearest whole number.

Section 3.17 Eliminated Jobs. The Company shall not eliminate (which includes the effect of backfilling jobs with QNJ's to meet the required number of jobs to comprise the Base) or otherwise fail to maintain Full-Time Job status or pay wages for any QNJ's for which Grant Disbursements have been made (the "Eliminated QNJ's").

Section 3.18 Minimum QNJ Requirements. The Company certifies that it shall create a minimum of [25 or 50] QNJ's (after giving effect to backfilling jobs with QNJ's to meet the required number of jobs to comprise the Base) by no later than [MONTH XX, 20XX]; [Need for all Rural or Innovative (25 Jobs), and for all Standard where 50 jobs is not required in first milestone]

ARTICLE IV

REPRESENTATIONS AND COVENANTS OF THE MSF

The MSF represents and warrants to the Company:

Section 4.1 Organization. The MSF is a public body corporate and politic within the Department of Labor and Economic Opportunity of the State of Michigan created under the Act. The MSF has the power and authority to enter into and perform its obligations under this Agreement.

Section 4.2 Consent. Except as disclosed in writing to the Company or as otherwise provided by law, no consent or approval is necessary from any governmental authority as a condition to the execution and delivery of this Agreement by the MSF or the performance of any of its obligations under this Agreement. This Agreement is valid, binding, and enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, moratorium, reorganization or other laws or principles of equity affecting the enforcement of creditors’ rights generally or by general principles of equity.

ARTICLE V

DEFAULT AND REMEDY PROVISIONS

Section 5.1 Events of Default. The occurrence of one or more of the following events or conditions is an “Event of Default,” unless a written waiver is provided by the MSF:

(a) any representation made by the Company in support of this Agreement is incorrect at the time that such representation was made in any material respect, including without limitation, any information provided in the Application, a Grant Disbursement Request, a Milestone Report, a Progress Report, or the representations and covenants set forth in Article III;
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(b) any material failure by the Company to comply with any of the terms, covenants and conditions on its part to be performed under this Agreement, including without limitation, any of the terms, covenants and conditions under Article III, and failure to submit any required reports hereunder when due; provided if curable, the Company shall have the opportunity to cure this Event of Default to the satisfaction of the MSF Fund Manager within the Cure Period;

(c) the Company is in default, violation, breach, or non-compliance, of any kind or nature under any other agreement with, or requirement of the MEDC, the MSF, or any department or agency within the State; provided if curable, the Company shall have the opportunity to cure this Event of Default to the satisfaction of the MSF Fund Manager within the Cure Period; and

(d) any voluntary bankruptcy or insolvency proceedings are commenced by, or against, the Company, with any such proceedings against the Company not being set aside within Sixty (60) calendar days from the date of institution thereof.

Section 5.2 Available Remedies for an Event of Default. Upon the occurrence, and during the continuance, of an Event of Default under this Agreement:

(a) The MSF may immediately and without prior notice suspend making any Grant Disbursements;

(b) The MSF may immediately, after expiration of any applicable Cure Period without a cure, terminate this Agreement;

(c) In the case of an Event of Default under Section 5.1(a) (material misrepresentation) or Section 5.1(b) (material failure to comply), after expiration of any applicable Cure Period without a cure, based on:

(i) Section 3.10 arising out of the indemnification provisions set forth in Section C.6 of Exhibit C, the Company shall perform and pay all sums as required by Section C.6 of Exhibit C.

(ii) Section 3.10 arising out of failure to submit a Progress Report set forth in Section C.1 of Exhibit C, for each Progress Report not submitted, as required by this Agreement, the Company shall pay the MSF the principal amount of Five Thousand Dollars ($5,000) (the “Progress Report Fee”). Payment of the Progress Report Fee is required regardless of whether any Grant Disbursement has been made by the MSF.

(iii) Section 3.4 (material misrepresentation) or Section 3.7 (prohibited use of Grant funds for casino, etc.) or Section 3.15 (failure to maintain Base) or Section 3.16 (transfer of QNJ out of State) or Section 3.18 (failure to meet QNJ minimum), the Company shall pay the MSF a sum equal to the full amount of all Grant Disbursements that have been made.

(iv) Section 3.17 (elimination of QNJs), the Company shall pay the MSF an amount equal to the product of formula below:

\[
\text{Maximum Grant} \times \frac{\text{Eliminated QNJs}}{\text{QNJ}}
\]
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(d) At the discretion of the MSF Fund Manager, any amounts due to the MSF under this Section is subject to interest at a rate of seven percent (7%) per annum beginning on the date such payment is due and continuing until all funds owed under this Agreement are paid in full to the MSF.

(e) No remedy described in this Agreement is intended to be the sole and exclusive remedy available to the MSF, and each remedy shall be cumulative and in addition to every other provision or remedy given herein or now or hereafter existing at law, in equity, by statute or otherwise. The Grantee shall also pay all costs and expenses, including, without limitation, reasonable attorney’s fees and expenses incurred by the MSF in successfully collecting any sums due the MSF under this Agreement, in enforcing any of its rights under this Agreement, or in exercising any remedies available to the MSF.

(f) All payments by the Company shall be applied: (i) first to reimburse permitted costs and expenses; then (ii) to satisfy outstanding permitted interest on any Progress Report Fee; then (iii) to satisfy any outstanding Progress Report Fee; then (iv) to satisfy any and all other outstanding amounts owed to the MSF.

(g) Notwithstanding anything to the contrary, the MSF Fund Manager reserves the right to require the Company to pay the highest amount resulting from one or more of the same circumstances which give rise to more than one Event of Default; provided however, except as to the payment of the Progress Report Fee, and any interest, costs and expenses as provided by this Agreement, in no event shall the Company be required to repay the MSF any amount in excess of Grant Disbursements received by the Company.

Section 5.3 Other Suspension. In the event the MSF becomes aware of an event or circumstance, which, with the giving of notice or passage of time or both, would reasonably constitute an Event of Default, the MSF may immediately and without prior notice suspend making any Grant Disbursements, until such time the MSF is satisfied otherwise. The Company shall cooperate upon the request of the Grant Manager to provide additional information regarding the aforementioned event or circumstance.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Notice. Any notice or other communication under this Agreement shall be in writing and sent by e-mail, or fax, or first class mail, postage prepaid, or by courier to the respective Party at the address listed at the beginning of this Agreement or such other last known addresses, fax numbers or e-mail accounts, and shall be deemed delivered: (i) one business day after an e-mail, fax or courier delivery or (ii) two business days after a mailing date.

Section 6.2 Entire Agreement. This Agreement, together with the Exhibits, sets forth the entire agreement of the Parties with respect to the subject matter, and supersedes all prior agreements, understandings and communications, whether written or oral, with respect to the subject matter of this Agreement.

Section 6.3 Counterparts; Facsimile/Pdf Signatures. This Agreement may be signed in counterparts and delivered by fax or in .pdf form or other electronic format, and in any such circumstances, shall be considered one document and an original for all purposes.

Section 6.4 Severability. All of the clauses of this Agreement are distinct and severable and, if any clause shall be deemed illegal, void, or unenforceable, it shall not affect the validity, legality, or enforceability of any other clause or provision of this Agreement. To the extent possible, the illegal, void, or unenforceable provision shall be revised to the extent required to render the Agreement enforceable.
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and valid, and to the fullest extent possible, the rights and responsibilities of the Parties shall be interpreted and enforced to preserve the Agreement and the intent of the Parties. Provided, if application of this section would materially and adversely alter or affect a Party’s rights or obligations under this Agreement, the Parties agree to negotiate in good faith to develop a structure that is as nearly the same structure as the original Agreement (as may be amended from time to time) without regard to such invalidity, illegality or unenforceability.

Section 6.5 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 6.6 Governing Law. This Agreement is a contract made under the laws of the State, and for all purposes shall be governed by, and construed in accordance with, the laws of the State.

Section 6.7 Relationship between Parties. The Company and its officers, agents and employees shall not describe or represent themselves as agents of the State, the MSF, or the MEDC to any individual person, firm, or entity for any purpose.

Section 6.8 Successors and Assigns. The MSF may at any time assign its rights in this Agreement. The Company may not assign its rights or obligations under this Agreement without the prior written consent of the MSF. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 6.9 Waiver. A failure or delay in exercising any right under this Agreement will not be presumed to operate as a waiver unless otherwise stated in this Agreement, and a single or partial exercise of any right will not be presumed to preclude any subsequent or further exercise of that right or the exercise of any other right.

Section 6.10 Termination of Agreement. Except as to this Article VI and the terms of Exhibit A which shall survive indefinitely, and except as to other terms and conditions which shall survive as provided in this Agreement, this Agreement shall terminate at the end of the Term. Provided however, any claims arising out of an Event of Default which event occurred during the Term, or a Progress Report Fee due hereunder, shall be brought within three (3) years after the end of the Term, and available remedies thereon and the provisions of Section 3.12 shall survive until all amounts due the MSF are paid in full.

Section 6.11 Amendment. This Agreement may not be modified or amended except pursuant to a written instrument signed by the Company and the MSF Fund Manager.

Section 6.12 Publicity. At the request and expense of the MSF or the MEDC, the Company will cooperate with the MSF or the MEDC to promote the Project through one or more of the placement of a sign, plaque, media coverage or other public presentation at the Project or other location acceptable to the Parties.

(remainder of page intentionally left blank)
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The Parties have executed this Agreement effective on the Effective Date. The signatories below warrant that they are empowered to enter into this Agreement.

COMPANY

By: 
Its: 

MICHIGAN STRATEGIC FUND

By: Valerie Hoag 
Its: Fund Manager
EXHIBIT A

DEFINED TERMS

(a) “Act” means the Michigan Strategic Fund Act, MCL 125.2001 et seq., including, in particular, MCL 125.2088r which authorized the creation of the MBDP.

(b) “Affiliate” means, as applied to any person or entity, any other person or entity directly or indirectly controlling, controlled by, or under common control with, that person or entity. For the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as applied to any person or entity, means the possession, directly or indirectly, of the power (i) to vote at least 50% of the equity (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction or such lesser percentage provided the operational control is held by such other person or entity) having the power for the election of directors or other management of such person or entity, or (ii) to direct or cause the direction of the management and policies of that person or entity, whether through equity ownership, or by contract or otherwise.

(c) “Agreement” means this Agreement, including the Exhibits to this Agreement.

(d) “Application” means the Application for incentive assistance, dated MONTH XX, 20XX, submitted by the Company to the MEDC.

(e) “Auditor General” means the auditor general of the State of Michigan.

(f) “MBDP” has the meaning set forth in Recital C.

(g) “Base Employment Level” or “Base” means NUMBER OF JOBS(XXX) jobs at the Company on a statewide basis in the State.

(h) “Company” means the Grantee, as identified in the preamble, with the Federal Employer Identification Number (FEIN) of XXX.

(i) “Confidential Information” has the meaning set forth in Section C.2 of Exhibit C.

(j) “Cure Period” means within twenty (20) calendar days after written notice by the MSF Fund Manager, or within such longer period of time as determined in writing and at the sole discretion of the MSF Fund Manager.

(k) “Effective Date” has the meaning set forth in the preamble.

(l) “Eliminated QNUs” has the meaning set forth in Section 3.17.

(m) “Event of Default” means any one or more of those events described in Section 5.1.

(n) “Exhibit” means each of the documents or instruments attached to this Agreement.

(o) “Full-Time Job” means a job performed by an individual who is paid for no less than 35 hours a week, which shall include accounting for both of the following within the timeframe from the hire date of the applicable position through the applicable record pull date used on a Grant Disbursement Request or other applicable head count date, as determined by the Grant Manager: (i) only hours the individual was paid, including, straight time, overtime, vacation, personal time, sick time, holidays, bereavement time, and jury duty (“Hours Paid”), and (ii) all weeks the individual was paid (“Weeks Paid”).
(p) “Grantee” means the Company as identified in the preamble.
(q) “Grant” has the meaning set forth in Recital E.
(r) “Grant Disbursement” means Grant funds paid to the Company by the MSF under this Agreement.
(s) “Grant Disbursement Request” means a written request from the Company for a Grant Disbursement in form and substance required from time to time by the MBDP, including an accompanying Milestone Report.
(t) “Grant Manager” means that individual person designated by the MSF Fund Manager from time to time to provide administrative services for the MSF under this Agreement.
(u) “Hours Paid” has the meaning set forth in Section (c) of Exhibit A.
(v) “Indemnified Persons” has the meaning set forth in Section C.6 of Exhibit C.
(vi) “Key Milestones” means major achievements of the Company described in Exhibit B.
(x) “Key Milestone Completion Date” means the particular date that the Company must demonstrate satisfaction of the requirements of the corresponding Key Milestone as set forth on Exhibit B.
(y) “Key Personnel” means the Company or its Affiliates, subsidiaries, officers, directors, managerial employees, and any person who, directly or indirectly, holds a pecuniary interest in the Company of 20% or more.
(z) “Maximum Grant” means XXX Dollars ($XXX).
(aa) “Maximum Qualified New Jobs” or “MQNJ” means NUMBER OF MQNJ(XXX) Qualified New Jobs.
(bb) “MEDC” has the meaning set forth in Recital B.
(cc) “Milestone Report” means the report submitted by the Company to demonstrate and certify the completion of one or more sets of Key Milestones in form and substance required from time to time by the MBDP.
(dd) “MSF” has the meaning set forth in the preamble.
(ee) “MSF Fund Manager” means the person designated by the Board of Directors of the MSF from time to time to serve as the manager for the MSF programs.
(ff) “Party” or “Parties” has the meaning set forth in the preamble.
(gg) “Progress Report” means the annual report submitted no later than October 10th of each year during the Term of the Grant that consists of the quantitative or numerical data required by the Act, as more particularly described in Section C1 of Exhibit C, and otherwise in form and substance required from time to time by the MBDP.
(hh) “Project” means the facility located at XXX.
(ii) "Qualified Investment" means the minimum expenditure of XXX Dollars ($XXX) by the Company, after MONTH XX, 20XX, for the purchase of machinery and equipment for the Project.

[ADDITIONAL SECTION TO INCLUDE ON TRANSACTIONS INVOLVING QUALIFIED INVESTMENT]

(jj) "Qualified New Job" or "QNJ" means a new Full-Time Job created by the Company at the Project, in excess of the Base, on or after MONTH XX, 20XX, and performed for the Company for consideration by either: (i) an individual who is a resident of the State, and whose Michigan income taxes are withheld by the Company (or, to the satisfaction of the Grant Manager, an employee leasing company or professional employer organization on behalf of the Company), or (ii) an individual who is not a resident of the State and is employed by the Company at the Project, provided the Company certifies in writing at the time of each Grant Disbursement that not less than 75% of the employees of the Company at the Project are residents of the State; provided however:

i. unless a job of an Affiliate is part of the Base, in no event shall any job transferred (or otherwise eliminated) from an Affiliate in the State, to a job at the Company or Affiliate in the State, be considered a QNJ, and

ii. in the event the Company and/or Affiliate acquires any assets of another entity, any job of the entity that sold any assets to the Company and/or Affiliate that existed in Michigan prior to the sale shall not be considered a QNJ, and

iii. notwithstanding anything to the contrary, in no event shall any QNJ providing a basis for a Grant Disbursement or the achievement of a Key Milestone for this Agreement be considered a QNJ for any other MBDP agreements with the MSF.

(kk) "State" means the State of Michigan.

(II) "Term of the Grant" or "Term" means from the Effective Date and, unless earlier terminated as provided by this Agreement, through the earlier of: (i) MONTH XX, 20XX [date certain - the last day of the sixth month past the last milestone date], or (ii) when the Parties agree in writing.

(mm) "Weeks Paid" has the meaning set forth in Section (o) of Exhibit A.
EXHIBIT B
KEY MILESTONES*

TAILORED FOR EACH DEAL

*Subject to the terms and conditions of the Agreement, including the terms and conditions of Section 2.3 of the Agreement which include the required submission of a Grant Disbursement Request, and any other information as may be required under Section 2.3, the following Grant Disbursements may be requested by the Company:

Key Milestone Number One:

Grant Disbursement: $XXX per each QNJ for up to NUMBER OF JOBS (XX) QNJ.

Provided however, the Company must demonstrate to the satisfaction of the Grant Manager by no later than MONTH XX, 20XX (the "Key Milestone Completion Date" (as applicable to this Key Milestone)) all of the following, and must otherwise be in compliance with the Agreement:

1. The Company has met the Base Employment Level;
2. The Company has created a minimum of NUMBER OF JOBS (XX) Qualified New Jobs; and
3. The Company has provided copies of all documents requested by, and to the satisfaction of, the Grant Manager, including without limitation, providing employee identification numbers (or other identification information) for each employee comprising the Base and each QNJ, hiring date for each employee comprising the Base and each QNJ, the location of each Base job and QNJ job, copies of any requested Form W-2’s, payroll reports, employment or other reports, including any unemployment insurance agency reports, and any other information deemed necessary by the Grant Manager to support the Grant Disbursement Request.

Key Milestone Number Two:

Grant Disbursement: $XXX per each additional QNJ for which a Grant Disbursement has not previously been made, up to XX QNJ, provided, when taken together with any prior Grant Disbursement, cannot exceed the Maximum Grant or the MQNJ.

Provided however, the Company must demonstrate to the satisfaction of the Grant Manager by no later than MONTH XX, 20XX (the "Key Milestone Completion Date" (as applicable to this Key Milestone)) all of the following, and must otherwise be in compliance with the Agreement:

1. The Company has maintained the Base Employment Level;
2. The Company has created a total of at least XXXX (XX) Qualified New Jobs; and
3. The Company has provided copies of invoices or purchase orders or other evidence satisfactory to the Grant Manager, together with proof of payment of the same, that the Company has fully completed the Qualified Investment; and [ADDITIONAL SECTION TO INCLUDE ON TRANSACTIONS INVOLVING QUALIFIED INVESTMENT – INSERT WHERE NECESSARY]
4. The Company has provided copies of all documents requested by, and to the satisfaction of, the Grant Manager, including without limitation, providing employee identification numbers (or other identification information) for each employee comprising the Base and each QNJ, hiring date for each employee comprising the Base and each QNJ, the location of each Base job and QNJ job, copies of any requested Form W-2's, payroll reports, employment or other reports, including any unemployment insurance agency reports, and any other information deemed necessary by the Grant Manager to support the Grant Disbursement Request.

Key Milestone Number Three:

Grant Disbursement: $\text{XXX}$ per each additional QNJ for which a Grant Disbursement has not previously been made, up to XX QNJ's, provided, when taken together with any prior Grant Disbursement, cannot exceed the Maximum Grant or the MQNJ.

Provided however, the Company must demonstrate to the satisfaction of the Grant Manager by no later than \text{MONTH XX, 20XX} (the “Key Milestone Completion Date” (as applicable to this Key Milestone)) all of the following, and must otherwise be in compliance with the Agreement:

1. The Company has maintained the Base Employment Level;
2. The Company has created a total of at least XXX (XX) Qualified New Jobs; and
3. The Company has provided copies of all documents requested by, and to the satisfaction of, the Grant Manager, including without limitation, providing employee identification numbers (or other identification information) for each employee comprising the Base and each QNJ, hiring date for each employee comprising the Base and each QNJ, the location of each Base job and QNJ job, copies of any requested Form W-2’s, payroll reports, employment or other reports, including any unemployment insurance agency reports, and any other information deemed necessary by the Grant Manager to support the Grant Disbursement Request.

Key Milestone Number Four:

Grant Disbursement: $\text{XXX}$ per each additional QNJ for which a Grant Disbursement has not previously been made, up to XX QNJ’s, provided, when taken together with any prior Grant Disbursement, cannot exceed the Maximum Grant or the MQNJ.

Provided however, the Company must demonstrate to the satisfaction of the Grant Manager by no later than \text{MONTH XX, 20XX} (the “Key Milestone Completion Date” (as applicable to this Key Milestone)) all of the following, and must otherwise be in compliance with the Agreement:

1. The Company has maintained the Base Employment Level;
2. The Company has created a total of at least XXX (XX) Qualified New Jobs; and
3. The Company has provided copies of all documents requested by, and to the satisfaction of, the Grant Manager, including without limitation, providing employee identification numbers (or other identification information) for each employee comprising the Base and each QNJ, hiring date for each employee comprising the Base and each QNJ, the location of each Base job and QNJ job, copies of any requested Form W-2’s, payroll reports, employment or other reports, including any unemployment insurance agency reports;
reports, and any other information deemed necessary by the Grant Manager to support the Grant Disbursement Request.
EXHIBIT C
STATE REQUIRED TERMS

Section C.1 Progress Reports. Beginning October 10, 20XX (insert the following year if Agreement is executed between 6/30 and 9/30) and continuing no later than October 10th of each calendar year thereafter, the Company shall submit to the Grant Manager an annual Progress Report relative to the Project. The Progress Report shall be an all-encompassing report and shall include a description of the Key Milestones achieved during the preceding twelve (12) months ending September 30, and submission of all data required for the MSF to comply with its annual reporting requirements to the Michigan legislature under the Act (see MCL 125.2009); including reporting for the previous twelve (12) months ending September 30:

(a) the amount of financial support other than State resources;
(b) the total committed, and the actual number of, QNJ created and the average annual salary of the QNJ created;
(c) the total committed, and the actual number of, jobs comprising the Base and the average annual salary of the jobs comprised the Base; and
(d) the total actual amount of qualified investment.

A final Progress Report is due within thirty (30) days after the end of the Term.

Section C.2 Confidentiality. In connection with the transactions contemplated by this Agreement, the MSF, the MEDC or their representatives may obtain, or have access to all information or data concerning the business, operations, assets or liabilities of the Company. Under MCL 125.2005(9), the MSF Board has authority, upon the Company’s request, to acknowledge financial or proprietary Company information as confidential. If the MSF acknowledges Company information as confidential (the “Confidential Information”), the MEDC and the MSF agree that they and their representatives will use the Confidential Information solely for the purpose of administering this Agreement, and that the Confidential Information will be kept strictly confidential and that neither the MEDC, the MSF, nor any of their representatives will disclose any of the Confidential Information in any manner whatsoever. However, the MSF or the MEDC may disclose Confidential Information: (i) to such of its representatives who need such information or data for the sole purpose of administering the MBDP and the transactions contemplated by this Agreement; (ii) to the extent required by applicable law (including, without limitation, the Michigan Freedom of Information Act); (iii) if, before the Effective Date, such information or data was generally publicly available; (iv) if after the Effective Date, such information or data becomes publicly available without fault of or action on the part of the MSF, the MEDC or its representatives; and (v) in all other cases, to the extent that the Company gives its prior written consent to disclosure. This Section shall survive indefinitely.

Section C.3 Access to Records and Inspection Rights. During the Term of the Grant, there will be frequent contact between the Grant Manager, or other MEDC, MSF or representative of the State, and the Company. Until the end of the Term of the Grant, to enable the Auditor General, the Department of Technology, Management and Budget (the “DTMB”), the MSF, or the MEDC to monitor and ensure compliance with the terms of this Agreement, the Company shall permit the Auditor General, the Chief Compliance Officer, the DTMB, the MSF, or the MEDC to visit the Company, and any other location where books and records of the Company are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of this Agreement, including the expenditure of the Grant Disbursements; provided, however, that such audit right shall survive the end of the Term of the Grant by three (3) years. In connection with any such audit, the Company shall cooperate with the Chief Compliance Officer, if contacted, as provided in MCL 125.2088i(6)(h). At such visits, the Company shall permit the Auditor General, the Chief Compliance Officer, the DTMB, the MSF,
or any member, employee or agent of the MSF, the Chief Compliance Officer, the Grant Manager, or any employee or agent of the MEDC to make copies or extracts from information and to discuss the affairs, finances and accounts of the Company related to this Agreement with its officers, employees or agents. Notwithstanding anything to the contrary, any information and data that the Company reasonably determines is Confidential Information shall be reviewed by the Auditor General, the Chief Compliance Officer, the DTMB, the MSF, and the MEDC at the offices of the Company and the Auditor General, the Chief Compliance Officer, the DTMB, the MSF, or the MEDC shall have the right to remove, photocopy, photograph or otherwise record in any way any part of such books and records with the prior written consent of the Company, which consent shall not be unreasonably withheld.

Section C.4 Termination of Funding. In the event that the State Legislature or the State Government fails to provide or terminates the funding necessary for the MSF to fund the Grant, the MSF may terminate this Agreement by providing notice to the Company not less than thirty (30) calendar days before the date of cancellation provided, however, that in the event the action of the State Legislature or State government results in an immediate absence or termination of funding, this Agreement may be terminated effective immediately upon delivery of written notice to the Company. In the event of termination of funding, the MSF has no further obligation to make Grant Disbursements beyond the date of termination of this Agreement.

Section C.5 Non-Discrimination and Unfair Labor Practices. In connection with this Agreement, the Company agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex (including sexual orientation and gender identity or expression as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, physical or mental disability, or genetic information (as defined in Executive Directive 2019-09) that is unrelated to the individual’s ability to perform the duties of the particular job or position. The Company further agrees that every subcontract or sub-recipient agreement entered into for performance of this Agreement will contain a provision requiring nondiscrimination in employment, as specified in this Agreement, binding upon each subcontractor. This covenant is required, as applicable under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and is consistent with Executive Directive 2019-09, and any breach thereof may be regarded as a material breach of this Agreement.

Under 1980 PA 278, MCL 423.321, et seq., the State shall not award a contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under MCL 423.322. The United States Labor Relations Board compiles this information. The Company shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Under MCL 423.324, the State may void any contract if, subsequent to the award of the contract, the name of the Company as an employer, or the name of a subcontractor, manufacturer, or supplier of the Company appears in the register.

Section C.6 Indemnification and Hold Harmless. Except for their respective obligations to process or disburse Grant Disbursements as required in this Agreement, the MSF, the State, the MEDC, its Executive Committee and their respective directors, participants, officers, agents and employees (collectively, the “Indemnified Persons”) shall not be liable to the Company for any reason. The Company shall indemnify and hold the State, the MSF, and the MEDC and other Indemnified Person harmless against all claims asserted by or on behalf of any individual person, firm or entity (other than an Indemnified Person), arising or resulting from, or in any way connected with this Agreement or any act or failure to act by the Company under the Agreement, including all liabilities, costs and expenses, including reasonable counsel fees, incurred in any action or proceeding brought by reason of any such claim. The Company shall also indemnify the MSF, the MEDC and other Indemnified Person from and
against all costs and expenses, including reasonable counsel fees, lawfully incurred in enforcing any obligation of the Company under this Agreement.

The Company shall have no obligation to indemnify an Indemnified Person under this Section if a court with competent jurisdiction finds that the liability in question was solely caused by the willful misconduct or gross negligence of the MSF, the MEDC or other Indemnified Person, unless the court finds that despite the adjudication of liability, the MSF, the MEDC or other Indemnified Person is fairly and reasonably entitled to indemnity for the expenses the court considers proper. The MSF, the MEDC and the Company agree to act cooperatively in the defense of any action brought against the MSF, the MEDC or another Indemnified Person to the greatest extent possible.

Performance of the Company’s obligations contemplated under this Agreement is within the sole control of the Company and its employees, agents and contractors, and an Indemnified Person shall have no liability in tort or otherwise for any loss or damage caused by or related to the actions or failures to act, products and processes of the Company, its employees, agents or contractors. This Section shall survive indefinitely.

Section C.7 Jurisdiction. The parties shall make a good faith effort to resolve any controversies that arise regarding this Agreement. If a controversy cannot be resolved, the parties agree that any legal actions concerning this Agreement shall be brought in the Michigan Court of Claims or, as appropriate, Ingham County Circuit Court in Ingham County, Michigan. The Company acknowledges by signing this Agreement that it is subject to the jurisdiction of this court and agrees to service by first class or express delivery wherever the Company resides, in or outside of the United States. This Section shall survive indefinitely.
MILESTONE DISBURSEMENT REQUEST APPLICATION PROCESS
A milestone disbursement request application must be completed to obtain a grant disbursement. The milestone disbursement request application requires that you complete the application, which is an Excel document that you will receive directly from the MEDC Legal and Compliance team. After completing the application, you will access the MEDC “Sign-in” page to submit.

**MILESTONE DISBURSEMENT REQUEST APPLICATION**

Milestone Disbursement Request Application (Excel format with four tabs):
- Tab 1: Instructions
- Tab 2: Client Parameters
- Tab 3: Base Jobs
- Tab 4: Qualified New Jobs (QNJs)

**Instructions**

Step-by-step instructions for completing the milestone disbursement request application for reference.
Client Parameters
Requires the below information:

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<td>7</td>
<td>Name of person completing this application</td>
<td>Joe Smith</td>
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<td>Name of officer authorized to approve this application</td>
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Parameters negotiated in this contract

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<td>Description</td>
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<td>Start Date for Qualified New Jobs</td>
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<td>Number of Milestones</td>
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Base Jobs
The total number of base employees currently employed as of the reporting period end date.
Qualified New Jobs (“QNJs”)
The number of Michigan residents hired since the effective date of the grant agreement. Employees must be working at the company as of the reporting period end date.

After you complete the above steps, you will need to access the MEDC “Sign-in” page with your email address and password.

You will be directed to a list of your required reports (A red circle indicates that the report is past_due, reports approaching the due-date are yellow, and green circles indicate that the reports will be due in the future).

Select the “Submit Report” button for the Business Development Program Milestone.
MILESTONE DISBURSEMENT REQUEST APPLICATION PROCESS

Next, select the “Upload Files” “Or Drop Files” button(s) and upload the milestone disbursement request application that you just completed.

Once you have uploaded the milestone disbursement request application, select the “Done” button.

When you’ve ensured that all information indicated in the report is correct, press the “Submit” button to submit your completed report.

To complete, select “Submit.”
Visit the MEDC “Sign-in” page and login with your email address and password.

Once you are logged in, you will be directed to a list of your reports and when they are due (Red=Past-due; Yellow=Due date approaching; Green=Future reports due). Select the “Submit Report” button for the BD progress report.

Complete questions
After completing all questions, click “Submit.”

Success

Your report has been submitted.

OK

Done!