

Grand Traverse Next Michigan Development Corporation Property Tax Abatement and Renaissance Zone Guidelines

Including Criteria, Applications, Score Sheets and Model Agreements

The criteria, applications, score sheets and model agreements provided in this document may be amended by the NMDC to address each individual application. Additional criteria may be applied and additional information may be required by the NMDC Board and/or the Michigan Strategic Fund.

Adopted by the Grand Traverse Next Michigan Development Corporation Board on May 30, 2013
Reviewed by the MSF-delegated Next Michigan Committee on August 7, 2013
Amendments approved by GTNMDC Board on August 29, 2013
Renaissance Zone Guidelines approved by the
MSF-delegated Next Michigan Committee on September 20, 2013

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Introduction

Per Section 5.03 of the Interlocal Agreement to Create the Grand Traverse Region Next Michigan Development Corporation, the Grand Traverse Next Michigan Development Corporation (NMDC) has the power to promulgate application materials; to seek and accept applications from prospective developers and businesses; to establish criteria for Eligible Next Michigan Businesses; to establish criteria and review applications for incentives from prospective developers and businesses; to make determinations in its sole discretion with respect to the approval, in whole or in part, of such applications and of economic development incentives under relevant law (including, by way of example and not limitation, under Act 376, Act 281, Act 198 and Act 206), except as such discretion is expressly limited by this Agreement or law; to consult with the State officials having subject matter jurisdiction in respect of applications and approvals; to monitor the performance of applicants; and to make recommendations with respect to applications to State officials or entities, a Local Government Party, or any other Person having subject matter jurisdiction.

The following applications, guidelines and criteria apply only to the NMDC District as approved by the NMDC Board. The NMDC Board reserves the right to evaluate any project and the appropriateness of the application of any incentives.

Definitions

Local Government: Parties to the Interlocal Agreement including Grand Traverse County, City of Traverse City, Garfield Charter Township, East Bay Charter Township and Blair Township.

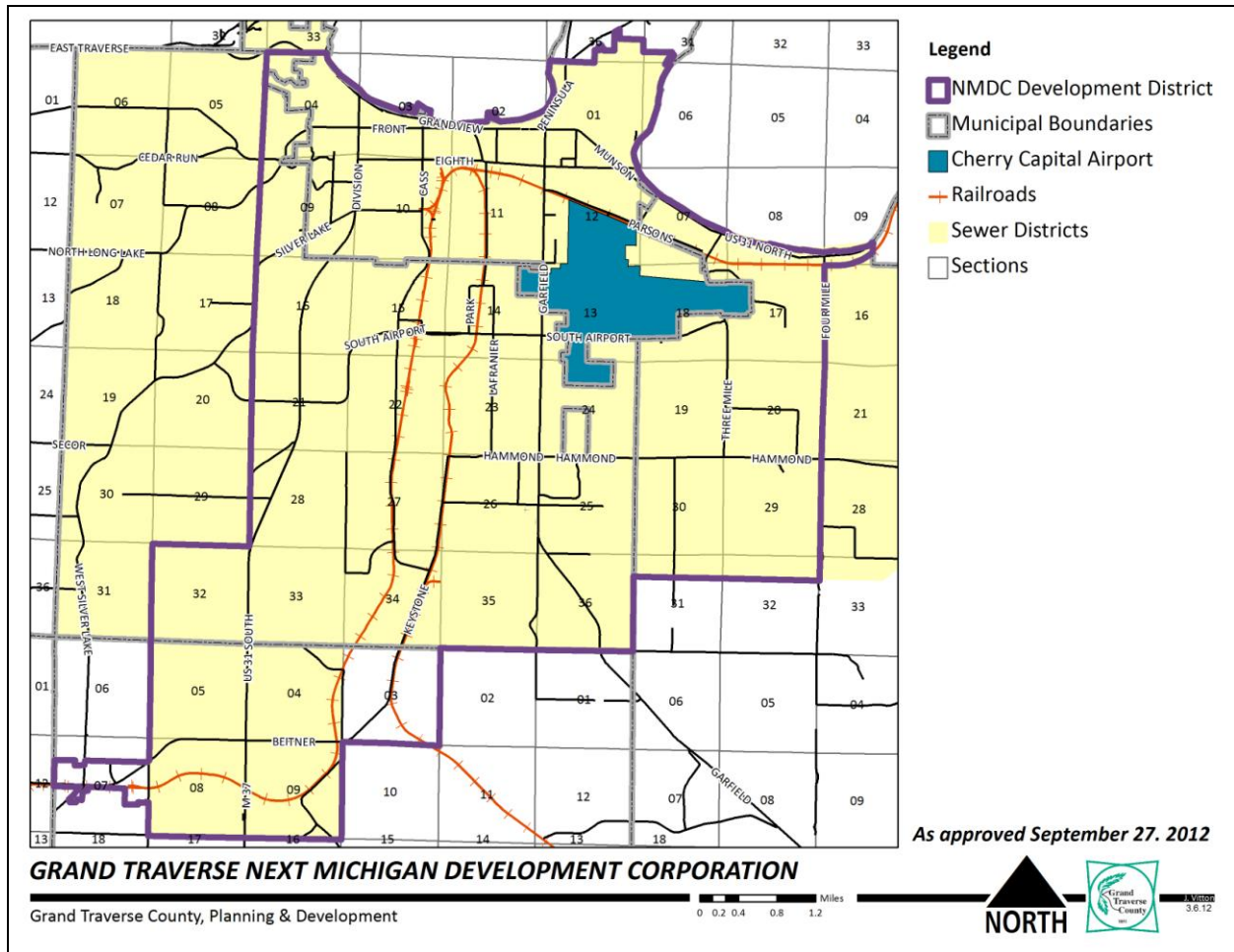
Marketing Zone: A Renaissance Zone area recommended by the Grand Traverse Next Michigan Development Corporation Board to the Michigan Strategic Fund pursuant to MCL 125.2688h(1) shall be referred to as a Next Michigan Marketing Zone.

NMDC: Grand Traverse Next Michigan Development Corporation.

NMDC Board: The governing board of the Grand Traverse Next Michigan Development Corporation consisting of one representative from each Local Government.

NMDC District: The territory of the Grand Traverse Next Michigan Development Corporation wherein activities may be implemented.

Grand Traverse Next Michigan Development Corporation District Map



Verification of Status as an Eligible Next Michigan Business

A business must be an “Eligible Next Michigan Business” (ENMB) to qualify for benefits of the NMDC. Under the Michigan Renaissance Zone Act (Act 376 of 1996), the Interlocal Agreement, the Michigan Economic Growth Authority Act (1995 PA 24), the Plant Rehabilitation and Industrial Development Districts Act (Act 198 of 1974), and the General Property Tax Act (Act 206 of 1893), an ENMB is a business that meets one of the following five standards.

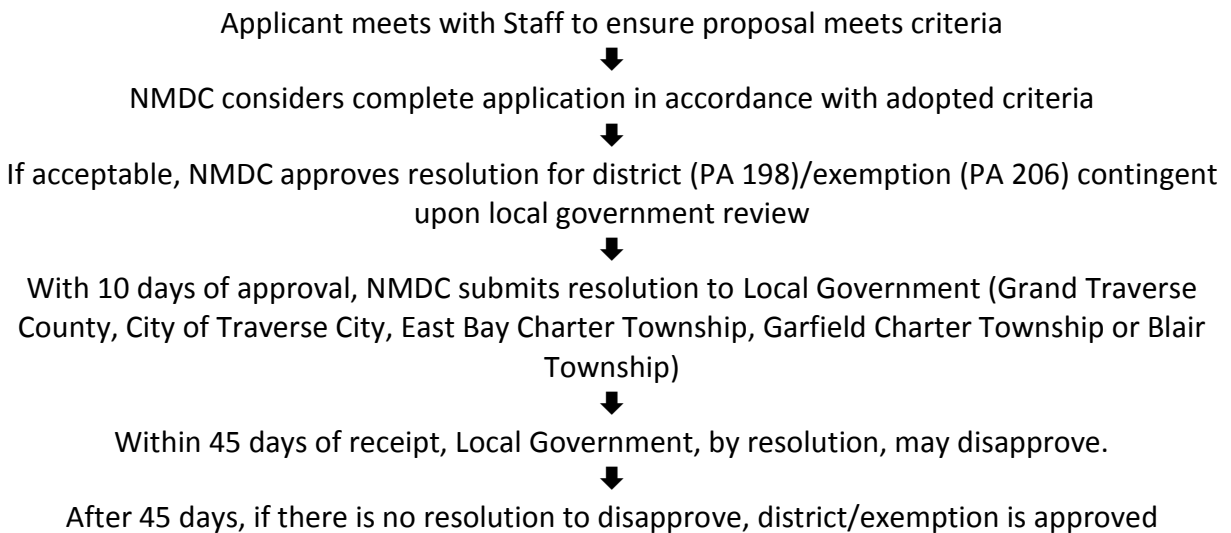
For the purposes of these five standards, “multimodal commerce” is defined as commerce that involves two or more of air, rail, road, and sea as modes of transportation.

1. The shipment of tangible personal property via multimodal commerce
2. A supply chain business providing a majority of its services to businesses engaged in the shipment of tangible personal property, including inventory, via multimodal commerce
3. A manufacturing or assembly facility receiving a majority of its production components via multimodal commerce
4. A manufacturing or assembly facility shipping a majority of products via multimodal commerce
5. Light manufacturing or assembly facility that packages, kits, labels, or customizes products and ships those products via multimodal commerce

Plant Rehabilitation/Industrial Development Districts & Personal Property Tax Exemptions

Industrial property tax abatements provide incentives for eligible businesses to make new investment in the NMDC District. These abatements encourage manufacturers to build new plants, expand existing plants, renovate aging plants, or add new machinery and equipment. High technology operations are also eligible for the abatement. The New Personal Property Tax Exemption is pursuant to Act 206 of 1893, Section 9f of the General Property Tax Act, MCL §211.9f and the Industrial Facilities Tax Exemption pursuant to Act 198 of 1974, MCL §§207.551 to 207.572.

Authorization



Criteria

With the acknowledgement that both an applicant's investment and the NMDC's investment in a proposed project, the granting of an Industrial Facilities Tax (IFT) and/or Personal Property Tax (PPT) abatement is to encourage economic growth in the community. In accordance with Public Act 198 of 1974, as amended, and the following guidelines for the granting of an IFT Certificate/PPT Exemption have been established:

1. Applications for the establishment of a district, tax abatement certificate or transfer of an existing certificate shall be submitted to the Grand Traverse County Planning & Development Department for review and recommendation to the NMDC Board.
2. Final approval of a district or certificate shall be made by the NMDC Board contingent upon local government review. The local government may disapprove the application. The NMDC Board may exercise at its discretion the determination of the maximum term and conditions of any and all IFT Certificates and/or PPT Exemptions.
3. Such tax benefits accruing under this program will induce the location of a new facility or the expansion or rehabilitation of an existing facility in the NMDC District and that the applicant has made a firm commitment to the project if the tax benefits are granted by the NMDC Board.
4. Increased employment and tax base will be created in relationship to the benefits granted.
5. The applicant has paid all outstanding real and personal property tax bills
6. Such industrial construction, expansion or rehabilitation will not unduly burden public streets, utilities or other public services.
7. The facility will conform to the local government's Master Plan for development and proposed land use or any other applicable land use plan or ordinance.
8. The primary function of a business requesting the abatement is not in direct competition with another business in the NMDC district. If there is an existing competing business in the NMDC district, a letter is required from that business stating that they are not against the approval of the tax abatement request.
9. Pursuant to Public Act 198 of 1974, as amended, prior to approval of the issuance of an IFT Certificate, the applicant and the NMDC shall enter into a written agreement which state the following terms and conditions:
 - a. In the event the applicant has not substantially complied with the Application, with respect to the items described in the application, including but not limited to the number of jobs created and/or retained and total capital investment within the time frame identified in the Application, the abatement previously approved may be reduced or revoked by the NMDC.
 - b. In the event that the Applicant's ad valorem and/or Industrial Facilities Tax is not paid by the stated due date, the abatement previously approved may be reduced or revoked by the NMDC.

- c. In the event the applicant ceases, or reduces operations of its industrial facility, the NMDC shall be repaid a portion or the total amount of taxes previously abated, in accordance with the provisions of the agreement.
- d. Any conditions deemed necessary by the NMDC to ensure compliance with the terms and conditions of the IFT Application and Certificate.

INDUSTRIAL FACILITIES TAX CERTIFICATE DURATION

POINTS	PERSONAL PROPERTY	REAL PROPERTY
0-24	0 years	0 years
25-49	3 years	6 years
50-74	4 years	8 years
75-100	6 years	12 years

Score Sheet

Grand Traverse Next Michigan Development Corporation Tax Abatement Score Sheet

	Points Available	Points Awarded	Notes
Jobs			
Retained			
0-10	5		
11-25	10		
26-50	15		
51-100	20		
101+	25		
Created			
0-10	5		
11-25	10		
26-50	15		
51-100	20		
101+	25		
TOTAL POINTS	50		
Private Investment			
Personal Property			
\$0 - \$500,000	5		
\$500,001 - \$2M	10		
\$2M - \$5M	15		
\$5M +	20		
Real Property			
\$0 - \$500,000	5		
\$500,001 - \$2M	10		
\$2M - \$5M	15		
\$5M +	20		
TOTAL POINTS	40		
Industry/Building			
Industry and Location Compatible with Master Plan	0-2		
Public Services Required	0-4		Rated 0-4 based on how much increase in public expenditures will be required to service the proposed development and the support of those services, with 4 being no additional public expenditures for, but not limited to, water, sewer, police, fire and/or code enforcement and applicant utilizing public water, sewer, and power and 0 being public expenditures in 4 or more areas and applicant not utilizing public water, sewer, and power.
Exterior Appearance	0-4		Rated 0-4 based on the aesthetic design of building and grounds enhancing the community with 4 being an innovative design which improves the neighborhood in all senses and 0 being basic design which meets minimum legal standards.
TOTAL POINTS	10		
Total Score	100		

Application

The application for a NMDC tax abatement consists of the following:

1. Complete Application
2. Firm Financial Commitment
3. Property Information

Financial Commitment

1. Firm monetary commitment letter from financial institution(s):
2. Two (2) years of Audited Annual Financial Statements or similar proof of financial solvency as determined by the NMDC:
3. Proof of financial assets to be used for project:

Property Information

1. Geographic map of the local governmental unit showing the proposed tax abatement location:
2. Property parcel map including boundaries, parcel numbers and acreage:
3. Site plan of the project (if applicable):
4. Copies of the two (2) most recent real property tax bills:

Application Information

1. Name of Company:
2. Address:
3. Contact Name:
4. Telephone/E-mail:
5. Signatory's Name:
6. Title:
7. Number of years applying for tax abatement:
8. School District Code:
9. Company's Federal Employer Identification Number (FEIN):
10. Affected local governmental unit(s):
11. Property owner name:
12. Property address:
13. Parcel legal description:
14. Total acres:
15. Describe in detail the history and background of the company:
16. Describe the project, equipment to be purchased, type of building to be constructed or purchased and any necessary infrastructure improvements, etc:
17. Identify the types of activities that will occur in the proposed district:

18. What is the expected total private dollar investment? (building and equipment, etc.):
19. When will investment for this project be completed?
20. How many new jobs will be created at the facility?
21. By what date will all of the proposed jobs be created?
22. Describe the type of new jobs and the average weekly wages:
23. What is your current workforce at the facility?
24. Describe the benefit package provided to the employees:
25. Does company have ownership or control of the property?
26. What will be the anticipated economic impact on the community?
27. Describe the impact of the creation of jobs for this project relative to the employment base of the community rather than the static number of jobs created:
28. Identify all public programs, public funding sources and public incentives that will be utilized (if applicable):
29. Identify any infrastructure and/or physical needs that need to be implemented to make the project viable (if applicable):
30. Existing state equalized value and taxable value on the property:
31. Total millage rate and a breakout of millages levied:
32. Are taxes current?

Model Local Abatement Agreement

_____, hereinafter referred to as the “Company”, has submitted an application to the Grand Traverse Next Michigan Development Corporation, hereinafter referred to as the NMDC, for the granting of an Industrial Facilities Exemption (IFT) Certificate in _____, pursuant to Michigan Public Act 198 of 1974, as amended.

To encourage the granting of the IFT, and in recognition of the investment the NMDC will be making toward the economic growth of the Company, and thus the economic growth of the community, I hereby agree on behalf of the Company to the following:

- 1) No later than the 15th day of January, following the second full year after the issuance date of the IFT, and every two years thereafter, the Company shall submit a letter to the NMDC stating:
 - a. The number of new jobs committed to being created in the IFT application and the total number of new jobs actually created.
 - b. If the IFT was granted on the basis of job retention, the number of employees at the time of the application and the current number of employees currently at the Company.
 - c. If the projections for job creation and retention have not been met, the Company must provide an explanation for this situation.
 - d. The estimated private investment (both real and personal property) given in the application and the actual private investment incurred.
 - e. If actual private investment differs substantially from the Company’s projected private investment, the Company must provide an explanation.
- 2) The Company understands that if at any time employment has not been retained or reached, or the capital expenditures have not been completed as stated in the application, the NMDC has the right to reduce the term or revoke the IFT.
- 3) The Company agrees to remain within the NMDC district for the period of the IFT unless permission for relocation is granted by the NMDC. The Company further understands that if it chooses to leave the NMDC district without permission for relocation prior to the end of the term of the IFT, the NMDC has the right to recapture from the Company up to and including the total difference between the Industrial Facilities Tax and the normal ad valorem tax which would have been due if the IFT had not been granted, plus interest and penalties.
- 4) The Company agrees and understands that in the event of an appeal of the assessment on the facility is filed with the Michigan Tax Tribunal, the NMDC at its discretion, has the right to reduce the term of the Industrial Facilities Certificate, provided that the Company and/or its representative and the local assessor are first given the opportunity to address the NMDC as to the merits of the appeal.

5) The Company agrees to pay all ad valorem and/or Industrial Facilities Tax on or before they are due. The Company understands that in the event that ad valorem and/or industrial facilities taxes become delinquent, the NMDC, at its discretion, has the right to reduce the term or revoke the IFT, provided that the Company and/or its representative and the local treasurer are first given the opportunity to address the NMDC Board.

6) The Company agrees to comply with all local government ordinances, regulations and codes during the term of the IFT. The Company understands that in the event that the Company fails to comply, the NMDC may reduce the term or revoke the IFT, provided that the Company or its representative and the local government official responsible for administering the ordinance, regulation or code that the Company is in violation of are first given the opportunity to address the NMDC Board.

7) At its discretion, the NMDC may review and consider any request that an applicant may have for the extension of an IFT term of years, provided that the applicant has performed extraordinarily well above and beyond the requirements set forth in the original IFT.

By the signatures of representatives of both the Company and the NMDC Board below, it is understood that certain economic conditions can, at times, prohibit the maintenance of the Company's targeted status. It is understood that if such conditions exist at the time of the designated Company submits its report; the NMDC will carefully evaluate the Company's situation, and will inform the Company if any action is considered in order to give the Company an opportunity for correction.

WITNESS:

Date: _____

COMPANY:

By: _____

Its: _____

WITNESS:

Date: _____

GRAND TRAVERSE NEXT MICHIGAN
DEVELOPMENT CORPORATION:

By: _____

Its: _____

WITNESS:

By: _____

Its: _____

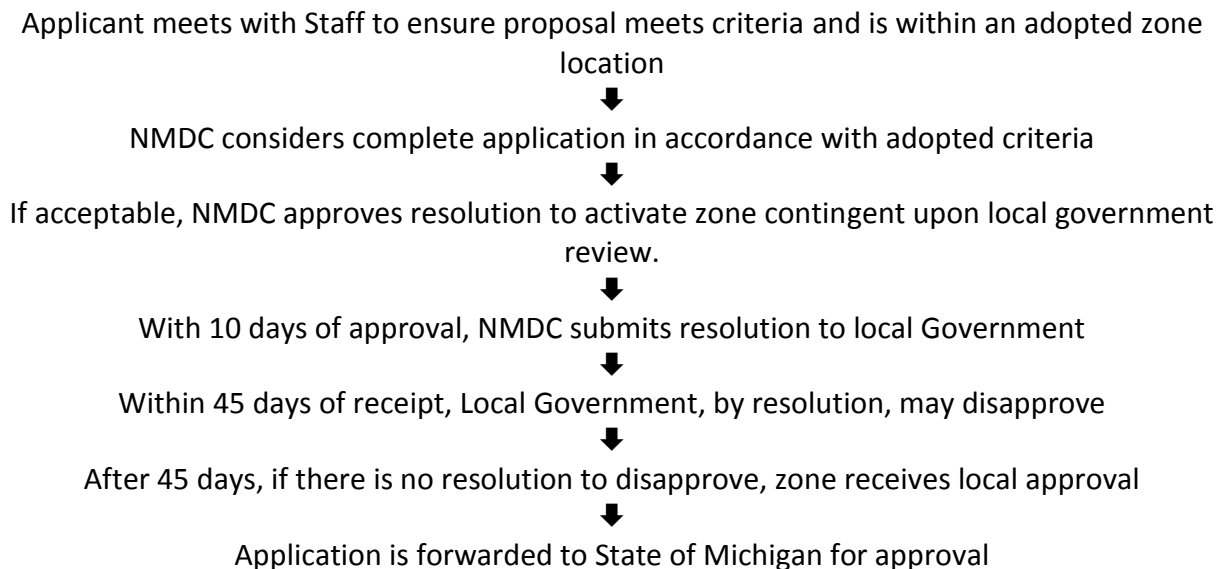
Next Michigan Marketing Zones (Renaissance Zones)

Within the NMDC District, renaissance zones foster economic opportunities; facilitate economic development; stimulate industrial, commercial and residential improvements; prevent physical and infrastructure deterioration of defined areas; and provide for the reuse of unproductive or abandoned industrial properties.

Renaissance Zone areas recommended by the NMDC Board to the Michigan Strategic Fund pursuant to MCL 125.2688h(1) shall be referred to as Next Michigan Marketing Zones. These Next Michigan Marketing Zones do not have to be contiguous so long as the parcels are only separated by property used for transportation services or a means of multimodal commerce.

An Eligible Next Michigan Business recommended by the NMDC Board to the Michigan Strategic Fund for certification as a Qualified Eligible Next Michigan Business eligible to receive the benefits of a zone pursuant to MCL 125.2688h(2) shall enter into a Development Agreement as provided in MCL 125.2688h(8). The Qualified Eligible Next Michigan Business' Next Michigan Renaissance Zone must be one contiguous geographic area within its particular designated Next Michigan Marketing Zone. In addition, the NMDC Board may enter into a Local Agreement to ensure local objectives of the NMDC are met.

Flow Chart



Criteria

The NMDC seeks to encourage significant investment within the zone to improve properties, encourage growth in businesses that require transporting their product by two or more modes of transportation. Utilizing the Cherry Capital Airport to transport their product is encouraged. A zone designation will be for the economic improvement of the community. Each project is rated based on its own merits.

In accordance with Public Act 376 of 1996, as amended, a zone designation must be able to meet all of the following listed criteria:

1. A business must meet be an “eligible” business as defined by one of the following:
 - a. A business must be engaged in appropriate Next Michigan business activities, including one of the following:
 - b. A business engaged in the shipment of tangible personal property via multimodal commerce;
 - c. A supply chain business providing a majority of its services to businesses engaged in the shipment of tangible personal property, including inventory, via multimodal commerce;
 - d. A manufacturing or assembly facility receiving a majority of its production components via multimodal commerce;
 - e. A manufacturing or assembly facility shipping a majority of products via multimodal commerce; or
 - f. A light manufacturing or assembly facility that packages, kits, labels, or customizes products and ships those products via multimodal commerce.
2. A business must move products or services via two or more of the following: air, road, rail, water.
3. A business will only qualify if it is opening a new location in Michigan, locating in Michigan, or materially expanding in Michigan.
4. A business must ensure the transfer of employment from 1 or more cities, villages, or township in the State is not the principal economic effect of the project, including the following:
 - a. Identifies the percentage of the aggregate full-time employees proposed to be located in the Next Michigan Renaissance Zone that are to be transferred into the Zone
 - b. Requires the aggregate number of transferred full-time employees to be less than 15% of the total number of full-time employees proposed to be located within the Zone
5. A business must meet Michigan Economic Development Corporation (MEDC) policy minimums, including:
 - a. Requires 25 or more new Full-Time Jobs or Full-Time Equivalent
 - b. Requires minimum investment of 80% sufficient to complete project
 - c. Requires business to provide proof of financing for 100% of project

6. Land associated with the zone must be owned or leased by the business.
7. A business must be within approved NMDC Zone boundaries and encompass only the area related to the company's facility where investment and job creation are expected to take place.
8. Zone designations are for a period of not less than 5 years and not more than 10 years as determined by the Michigan Strategic Fund Board.

Additional criteria include the following:

9. Project is consistent with local master plans and any plans (if applicable) adopted by the NMDC.
10. Project adheres to the permitting, zoning, and design standards adopted by the local government.
11. Evidence of adverse economic and socio-economic conditions that warrant designation.
12. Evidence of community support and commitment from business interests.
13. Evidence of methods to increase economic opportunity, infrastructure improvement, and job training.
14. Evidence of anticipated improvements in education, health, human services, public safety, and employment related to the project
15. Evidence of the viability, creativity, and innovativeness of the development.
16. Evidence of public and private commitment to the project.
17. Relation to a broader plan for the community as a whole.
18. Cooperation from surrounding communities.
19. Building permits must be applied for in accordance with the jurisdiction the proposed project is located in. All building construction and renovation activities must comply with the State Building Code and any local amendments and the Americans with Disabilities Act Guidelines. Final inspection by the Building Inspector of work completed will suffice to show compliance with the American with Disabilities Act Accessibility Guidelines.
20. Exterior rehabilitation must be sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building. Square footage to calculate any required investment level will be based on the square footage of the entire building, excluding basements. All dollar values will be in the year application is applied for.

Current Commercial Property (if applicable)

21. Capital improvements as proposed must substantially improve the life expectancy of the property.
22. Property owner makes capital improvements equal to the greatest of:
 - a. Fifty percent (50%) of the true and full value of the property prior to making the improvements; or
 - b. \$10,000 investment in capital improvements

New Commercial Construction or Additions (if applicable)

23. Minimal investment of \$500,000

Score Sheet

Grand Traverse Next Michigan Development Corporation Renaissance Zone Score Sheet

	Points Available	Points Awarded	Notes
Jobs			
Retained			
0-10	5		
11-25	10		
26-50	15		
51-100	20		
101+	25		
Created			
0-10	5		
11-25	10		
26-50	15		
51-100	20		
101+	25		
TOTAL POINTS	50		
Private Investment			
Real Property			
\$500,000 - \$1M	5		
\$1M - \$4M	10		
\$4M - \$6M	15		
\$6M - \$10M	20		
\$10M+	30		
TOTAL POINTS	30		
Multi-modal Business			
Percentage of Export Business Utilizing Airport			
1% – 10%	5		
11% - 20%	10		
21% - 30%	15		
31% - 50%	20		
50%+	25		
TOTAL POINTS	35		
Term of Designation			
Years Requested			
5 years	30		
6 years	25		
7 years	20		
8 years	15		
9 years	10		

10 years	5		
TOTAL POINTS	30		
Years Property Will Make a Return			
Years Requested			
5 years	30		
6 years	25		
7 years	20		
8 years	15		
9 years	10		
10 years	5		
TOTAL POINTS	30		
Strength of Business Plan	0-25		
TOTAL POINTS	25		
Total Score	200		

Application

The application for an NMDC Renaissance Zone consists of the following:

- Complete Application
- Firm Financial Commitment
- Property Information
- Authorizing Resolution

Taxes still due are those mandated by the federal government, local bond obligations, school sinking fund or special assessments. Companies and individuals are also not exempt from paying Michigan sales and use tax. Taxes shall be abated as defined in the Michigan Renaissance Zone Act, Act 376 of 1996, Sec. 125.2689. If approved, designation shall be effective as of January 1st of the following year.

Financial Commitment

1. Firm monetary commitment letter from financial institution(s):
2. Two (2) years of Audited Annual Financial Statements or similar proof of financial solvency as determined by the NMDC:
3. Proof of financial assets to be used for project:

Property Information

4. A map of the local governmental unit showing the proposed Renaissance Zone:
5. A property parcel map including boundaries, parcel numbers, present use, buildings and structures and acreage:
6. A site plan of the project (if applicable):
7. Property address:
8. Total acres:
9. Legal description of the property:
10. Property owner's name & title:
11. Does company have ownership or control of the property?
12. Copies of the two (2) most recent real property tax bills:

Application Information

13. Name of company:
14. Address:
15. Contact name:
16. Telephone:
17. E-mail:
18. Signatory's name:
19. Title:
20. Number of years applying for a Renaissance Zone:
21. School district code:

22. Company's federal employer identification number (FEIN):
23. Affected local governmental unit(s):
24. Describe in detail the history and background of the company:
25. Describe the Project, equipment to be purchased, type of building to be constructed or purchased and any necessary infrastructure improvements, etc.:
26. Identify the types of activities that will occur in the proposed Renaissance Zone:
27. What is the expected total private dollar investment? (building and equipment, etc.)
28. When will investment for this project be completed?
29. Will you be able to commence the project within one (1) year from when the Renaissance Zone is designated?
30. How many new jobs will be created at the facility?
31. By what date will all of the proposed jobs be created?
32. Describe the type of new jobs and the average weekly wages:
33. What is your current workforce at the facility?
34. Describe the benefit package provided to the employees:
35. What will be the anticipated economic impact on the community?
36. Describe the impact of the creation of jobs for this project relative to the employment base of the community rather than the static number of jobs created:
37. Identify all public programs, public funding sources and public incentives that will be utilized:
38. List the State and Local permits required for the project:
39. List any permits that are outstanding:
40. Identify any infrastructure and/or physical needs of the Renaissance Zone that need to be implemented to make the Zone viable:
41. Can this facility be located outside of a Renaissance Zone?
42. Estimate annual savings of property taxes for the company after Renaissance Zone designation:
43. Existing state equalized value and taxable value on the property:
44. Total millage rate and a breakout of millages currently levied:
45. Are taxes current?

Model Local Renaissance Zone Agreement

NOTE: The following model local agreement does not preclude or supersede the agreement between the eligible Next Michigan Business, the Michigan Strategic Fund, and the Next Michigan Development Corporation. This model local agreement may be used by the NMDC to ensure local objectives in the application of a zone.

This Local Development Agreement (the “Agreement”) is by and between the Grand Traverse Next Michigan Development Corporation and _____, hereinafter referred to as the “Company” for the designation of a Renaissance Zone in _____, pursuant to Michigan Public Act 376 of 1996, as amended. Collectively, the Company and NMDC are referred to in this agreement as the “Parties.”

In consideration of the Zone designation, the Parties agree as follows:

1. **Size and Location of Property.** The Company represents that the Zone is one continuous distinct geographic area consisting of ____ acres, as more particularly described in Exhibit A to this Agreement (the “Property”).
2. **Duration of the Designation.** The NMDC approved the Zone designation for a ____ year period. The designation begins on _____ and ends on _____.
3. **Conditions of Zone Designation.** As a condition of obtaining the Zone designation for the Property, the Company shall:
 - a. **Project.** Construct the project described in the Application and complete the investment and job created described in this Agreement.
 - b. **Capital Investment.** Invest a total of \$_____ for building renovations, expansion and improvements to the Property or Facility by _____.
 - c. **Job Creation.** Create a minimum of ____ new full-time jobs at the Facility by _____. Under this agreement, a “full-time jobs” is a job that pays at least _____. Contract and part-time jobs do not count towards job creation.
 - d. **Other Conditions.**
 - i. Operate the Facility primarily for _____.
 - ii. Maintain the Property in good condition, including, but not limited to, buildings, equipment, landscaping, yards, fencing, parking lots and all fixtures.
 - iii. Comply with federal, state and local laws, including, but not limited to, all applicable environmental, zoning and land use laws.

4. Reports. The Company shall provide a written report to the NMDC annually each January 31 thereafter through ____ that includes the following information:
 - a. The progress of the Project.
 - b. The amount of capital investment, including, but not limited to, real and personal property investment, at the Facility or in connection with the Property.
 - c. The number of individuals employed at the Facility at the beginning and the end of the reporting period, as well as the number of individuals transferred to the Property from another entity owned by the Company.
 - d. New jobs, including full-time jobs, created at the Facility.
 - e. The status of the Company's business operations.
 - f. The most recent state equalized value (SEV) and taxable value of the real and personal property within the Zone, including real and personal property located at the Property that existed prior to the Effective Date.
 - g. Any other information reasonably requested by the NMDC.
5. Zone Benefits. During the Term, the Company shall receive the exemptions, deductions, credits and other benefits of the Zone designation. The Company acknowledges that the benefits provided to not include relief from the payment of certain property taxes relating to bonds, school sinking fund obligations and special assessments, as well as the Michigan Sales or Use Tax.
6. Revocation Resolution. If the Company fails to commence construction or renovation of the Facility, ceases operation or fails to commence operation of the Facility or otherwise violates the terms of the requirements of the Zone, the NMDC Board may pass a resolution recommending revocation to the Michigan Strategic Fund (MSF) Board.
7. Notice of Noncompliance. Prior to taking any action under Sections 6 of this Agreement, the NMDC shall provide written notice to the Company and the Owner upon finding that the Company failed to comply with any provision of this Agreement. The Company shall have 90 days from its receipt of such notice to cure the noncompliance to the NMDC's satisfaction.
8. No Limitations of Remedies. Nothing in this Agreement shall be construed as a limitation of the remedies available to the NMDC at law or in equity.
9. Notices. All notices provided in connection with this Agreement shall be in writing and deemed given upon personal delivery, or on the next business day if delivered by a commercial overnight carrier, with written verification of receipt service, or the third business day after mail date if sent postage prepaid by United States mail, return receipt requested. All notices shall be addressed as follows:

Company:

NMDC:

Next Michigan Development Corporation
Grand Traverse County Planning & Development
400 Boardman Avenue
Traverse City, MI 49684

The Parties may change their designated contact by providing notice as described in this Section.

10. Jurisdiction. This Agreement shall be governed by the laws of the State of Michigan. 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 _____ (insert court name, location).
11. Severability. If any clause, provision or section of this Agreement is held illegal or invalid by any court, to the extent permitted by court order, decree or judgment, the invalidity of such clause, provision or section shall not affect any other clause, provision or section of this Agreement and this Agreement shall be construed as if the illegal or invalid clause provision or section had not been contained in this Agreement.
12. Captions. The captions or headings in this Agreement are for convenience only and in no way define or limit the scope or intent of any provisions or sections of this Agreement.
13. Amendments. No amendment to this Agreement shall be effective unless it is in writing and signed by the Parties.
14. Effective Date. This Agreement is effective _____ (the "Effective Date").
15. Transfer of Ownership/Termination of Operation. The sale or transfer of the Property or a transfer or assignment of the beneficial ownership in the Company during the Term of this Agreement shall require the prior consent of the NMDC. Additionally, the Company shall notify the NMDC in writing of any change of its corporate name or federal employer identification number ("EIN").
16. Counterparts. This Agreement may be executed in one or more counterparts and by PDF, facsimile or email, each of which shall constitute and original, and all of which together shall constitute one and the same instrument.

WITNESS:

Date: _____

COMPANY:

By: _____

Its: _____

WITNESS:

Date: _____

GRAND TRAVERSE NEXT MICHIGAN
DEVELOPMENT CORPORATION:

By: _____

Its: _____

WITNESS:

Date: _____

By: _____

Its: _____