

## MEGA TAX CREDIT AGREEMENT

**RLP Technologies, Inc.**

This Agreement is made between the Michigan Growth Authority ("MEGA"), whose address is Post Office Box 48909 and RLP Technologies, Inc., (the "Company") whose address is 26955 Northwestern Highway, Southfield, Michigan. The Employer Identification Number is [REDACTED]

### RECITALS

WHEREAS, the MEGA has been created by the Michigan Growth Authority Act, Act No. 24 of Public Acts of 1997, with the power to provide tax credits to businesses engaged in mining, research, development, wholesale, trade and service enterprise.

WHEREAS, the Legislature has determined that it is in the public interest to promote economic growth and to encourage private investment and job upgrading for the residents of the State of Michigan.

WHEREAS, the MEGA has determined that the tax credit for a Company for job expansion will promote and serve the public interest.

NOW, THEREFORE, the parties agree as follows:

**1.0 DEFINITIONS**

- (a) "Agreement" means this written agreement.
- (b) "Application" means any information submitted in support of the Company's request for a Tax Credit.
- (c) "Anniversary Date" means May 31, 2005.
- (d) "Authority" or "MEGA" means the Michigan Economic Development Authority created by the Act.
- (e) "Average Weekly Wage" means the total wages paid during the applicable tax year to employees performing work on the Project, divided by 52, divided by the number of employees on the Project.
- (f) "Base Employment Level" means the number of full-time jobs to be maintained at the Company in Michigan, as set forth in the schedule attached to this Agreement.
- (g) "Beginning of Operations" means June 1, 2005.
- (h) "Business" means a proprietorship, joint venture, partnership, business trust, syndicate, association, joint stock company, cooperative, limited liability company or any other organization.
- (i) "Certificate" or "Tax Credit Certificate" means a certificate issued by the Michigan Economic Development Authority.

(j) "Certificate Application" or "Application Certificate" means the written information submitted with the Company's request for a Tax Credit Certificate.

(k) "Facility" means the "Project" or the site where the Company has committed to creating Qualified New Jobs.

(l) "Full-time Job" means a job performed by an individual who is employed for consideration for 35 hours or more each week and whose employer withholds income and social security taxes.

(m) "MEGA Business Activity Credit" or "MEGA Credit" means a credit against the Single Business Tax authorized by Public Act 23 of 1995.

(n) "MEGA Employment Credit" or "MEGA Employment Credit" means a credit against the Single Business Tax authorized by Section 1001 of Public Act 23 of 1995.

(o) "MEGA Tax Credit" or "Tax Credit" means a credit against the Single Business Tax authorized by Section 1001 of Public Act 23 of 1995, a MEGA Business Activity Credit and/or a MEGA Employment Credit.

(p) "Person" means an individual or a Business.

(q) "Primary Business Activity" means the business activity of greatest importance among the business activities of the Company.

(r) "Project" means the facility at which the Company is creating Qualified New Jobs.

(2) Created by the Company on or after this Agreement.

(t) "Salaries and Wages" means wages, tips reported in Box 1 of the employees' W-2 forms.

(u) "Statement of Eligibility" or "Statement" statement required by Section 4.2 of this Agreement.

## **2.0 REPRESENTATIONS**

**2.1 Representations by the MEGA.** With respect to the MEGA makes the following representations and warranties in connection with the execution of this Agreement:

(a) The MEGA is a public body established under the Public Bodies Act.

(b) The MEGA has the necessary power under the Tax Credits and has duly taken all action on its part to execute and deliver this Agreement. This Agreement is valid, binding and enforceable in accordance with its terms.

(c) The MEGA will issue the Company's Initial Certificate of Execution of this Agreement in the form attached to this Agreement.

**2.2 Representations by the Company.** With respect to the Company makes the following representations and warranties in connection with the execution of this Agreement:

(b) Corporate Authority. The execution, delivery and performance of this Agreement by the Company of this Agreement have been duly authorized by the Board of Directors as a corporate action and will not violate any provision of the Company's articles of incorporation or its bylaws.

(c) Full Disclosure. Neither this Agreement, nor any written statements furnished by the Company in connection with the authorization of a MEGA Tax Credit, nor any statement of a material fact or omit a material fact.

(d) Eligibility. The Company's Primary Business shall be "technology activity" as that term is defined in Section 1301.

(e) Project Description. The Company will lease a building to house its data base software product research and development facility in Farmington Hills, Oakland County ("the Project"). The Project shall include the creation of the statutory minimum of 5 Qualified New Jobs on the Project's Anniversary Date and 25 Qualified New Jobs no later than the Project's Anniversary Date. The Qualified New Jobs created shall have a starting Wage of at least \$1,270 and at no time will the total number of Qualified New Jobs be less than 400 percent of the total number of jobs then shall, from time to time, be in effect.

The Company believes that the Project is economically beneficial to the State of Michigan.

(f) Need for MEGA Tax Credits. The Tax Credit Agreement address the competitive disadvantages of locating a site outside this State.

(g) Site Reuse. The Company has considered the redevelopment of property previously used for another purpose and the Company has determined the use of such property for locating the Project.

(h) Certification. The Company has made the certifications required by Section 8(3)(f) of the Act, which are attached to this Agreement.

### **3.0 MEGA TAX CREDIT**

Based upon the Company's Application and the Warranties made in this Agreement, the Authority hereby grants the Company tax credits subject to the conditions specified in Section 8(3)(f) of the Act.

#### **3.1 Employment Credit.**

(a) An Employment Credit equal to 75 percent of the personal income tax rate, as it exists at the beginning of the year for which the credit is being sought, multiplied by the number of employees performing Qualified New Jobs before deducting any personal or dependency exemptions, for each consecutive tax year beginning with the Company's first tax year.

#### 4.0 CONDITIONS OF THE MEGA TAX CREDITS

4.1 Eligibility. The Company shall not be eligible for Section 3.0 of this Agreement unless:

(a) The statutory minimum of 5 Qualified New Jobs created at the Project, no later than the Anniversary Date.

(b) The statutory minimum of 25 Qualified New Jobs created at the Project no later than four years after the Anniversary Date.

(c) The Average Weekly Wage paid to Qualified New Jobs is at least \$1,270.

(d) The minimum Base Employment Level has been maintained.

(e) The Company's Primary Business Activity is "technology activity" as that term is defined in Section 3.0.

The Company may not count as a Qualified New Job any job that is transferred to the Project from: (1) a Business that is listed in the Company's Application, (2) a Business that, on or after the date of the Company's Application, otherwise gains control of the Company, is acquired by the Company, or comes under common control with the Company.

4.2 Statement of Eligibility. Any time after 5 Q

form as specified by the Authority from time to time. The  
the following information:

- (a) The aggregate number of Full-time Jobs at the Company, excluding Qualified New Jobs at the Project.
- (b) The number of Qualified New Jobs.
- (c) The Average Weekly Wage paid to employees at the Project.

(d) A certification by an officer of the Company that its Primary Business Activity is a "high technology activity" as defined in Section 3(k) of the Act

(e) A certification by an authorized officer of the Company that the information provided in the Statement of Eligibility is true and correct.

**4.3 Tax Credit Certificate.** To obtain a Tax Credit Certificate with the tax credits authorized in this Agreement for the Project, the Company shall:

- (a) Maintain the minimum number of Qualified New Jobs as specified by Schedule A of this Agreement, for the applicable period, and the number of Qualified New Jobs in any tax year except for the period from March 31, 2005 and March 31, 2009, the Company shall



In computing the number of Qualified New Jobs as of the last day of each quarter of the tax year beginning with the first quarter in which there are at least 100 full-time equivalent employees, the Company shall determine the average number of Qualified New Jobs of the tax year by computing the average number of Qualified New Jobs of each quarter of the tax year.

In computing the number of Qualified New Jobs as of the last day of each quarter of the tax year beginning with the first quarter in which there are at least 100 full-time equivalent employees, the Company shall determine the average number of Qualified New Jobs of the tax year by computing the average number of Qualified New Jobs of each quarter of the tax year.

(b) Pay an Average Weekly Wage in connection with each Qualified New Job of at least the amount required by Schedule D of the applicable tax year.

(c) Pay an average hourly wage in connection with each Qualified New Job that equals or exceeds 400 percent of the highest federal minimum wage in effect for the applicable tax year.

(d) Maintain its Base Employment Level as defined in the applicable tax year.

(e) Maintain its Base Employment Level in any tax year in which the Company is required to pay the Base Employment Level.

sum of the results for the four quarters, divided by four  
Level for that year.

(e) Maintain as its Primary Business Activity  
activity" as that term is defined in Section 3(k) of  
applicable tax year.

(f) Make an Application to the MEGA for a  
provided in Section 5.0 of this Agreement.

(g) Provided that the Company has initially  
of Section 4.1, failure of the Company to satisfy the  
in any given year does not preclude the Company  
obtaining a Tax Credit in any other year authorized  
Agreement.

**4.4 Audit and Verification.** The information provided  
Application for a MEGA Tax Credit Certificate, and the  
subject to audit and verification by the Authority  
reasonable advance notice to the Company by the  
permit the Authority or its designee, during normal business  
files of the Company solely for the purpose of verifying  
Credits authorized under, and compliance with, this  
to inspection include, but are not limited to, those

The Authority or its designee shall use all information for the inspection of the Company's files solely for the purpose of determining the Tax Credits authorized under this Agreement. The Authority shall maintain the confidentiality pursuant to Section 5(3) of the Act of all information retained by the Authority in the course of its duties.

**4.5 Administrative Fee.** An Administrative Fee of \$100,000 shall be assessed upon submission of the Certified Statement of Eligibility for a MEGA. The Administrative Fee is one-half of one percent of the value of the MEGA in current dollars, in the cost/benefit analysis of the MEGA at the time the Tax Credit was authorized.

**5.0 ANNUAL APPLICATION FOR TAX CREDIT CERTIFICATE**

**5.1** For each year that it seeks a Tax Credit Certificate, the Company shall complete an Application for a MEGA Certificate.

**5.2** The Certificate Application shall be filed with the Authority prior to the day the Company's Single Business Tax return for the applicable tax year, the Company receives an extension of the deadline for filing its Business Tax return for the applicable tax year, the Company shall file the MEGA of the extension and the Certificate Application with the Authority at least 45 days prior to the extended deadline.

**5.3** The form of the Certificate Application shall be provided by the Authority.

(b) The number of Qualified New Jobs at the Project during each of the four quarters in the applicable tax year.

(c) The number of Full-time Jobs, in Michigan, during each of the four quarters in the applicable tax year, other than Qualified New Jobs at the Project for which the Company is seeking a Tax Credit, as of the end of each of the four quarters in the applicable tax year.

(d) The total Salaries and Wages, before dependency exemptions, paid to employees who performed services at the Project during the applicable tax year.

(e) The total Salaries and Wages, before dependency exemptions, paid to employees who performed services in Michigan, for the Company, other than Qualified New Jobs at the Project for which the Company is seeking a Tax Credit, during the applicable tax year.

(f) A certification by an officer of the Company that the Company's Primary Business Activity is a "high technology activity" as defined in Section 3(k) of the Act.

(g) A certification by an authorized officer of the Company that the information provided in the Certificate Application is true and correct.

(h) Any other information which is reasonable and necessary to determine the applicable Tax Credit.

5.4 The information in a Certificate Application

Agreement have been satisfied and, if so, will calculate the amount of the Tax Credit under this Agreement and issue a Tax Credit Certificate.

## **6.0 ADJUSTMENT, REDUCTION, OR TERMINATION**

**6.1** If the Company does not comply with the conditions set forth in Section 4.1, this Agreement is null and void, the Company is no longer an authorized business under the Act, and no Tax Credits are, or will be, available under this Agreement.

**6.2** Failure of the Company to comply with any provision of this Agreement other than as a result of a clerical or technical error which is discovered to be an error, may result in revocation of the Company's status as an authorized business under the Act or the reduction of the amount of the Tax Credit for which a Certificate has not yet been issued.

**6.3** A Tax Credit authorized by the Authority is subject to audit for the tax year following the tax year for which a Tax Credit Certificate was issued. If the information on which the tax credit certification was based is found to be incorrect or cannot be verified.

**6.4** If the Authority determines that the Company no longer meets the requirements in order to qualify for, or increase the amount of a Tax Credit, the Authority may revoke the Company's designation as an authorized business under the Act.

16. The Michigan Department of Treasury of that

6.1, 6.2, 6.3, or 6.4, the Authority shall provide the Co of its intent to take such action and of the basis for tha the Company with a reasonable opportunity to respond.

## **7.0 REPORTING**

The Company shall provide the MEGA with such participation in the Tax Credit Program as the MEGA m so long as this Agreement is effective.

## **8.0 MISCELLANEOUS**

**8.1 Assignment of Credits.** The Tax Credits auth shall not be transferred or assigned to any other Perso in the event a Person acquires all or substantially Company in Michigan, after the date of this Agree authorize the transfer of the Company's rights unde Person if:

(a) The Person agrees in writing to assum responsibilities of the Company under this Agreement.

(b) The Authority determines that such a tra with and serve the purposes of the Act and this Agree

8.2. Continuity. If any clause, provision, or section

**8.3** Notices. All notices, certificates, requests or other documents shall be sufficiently given when delivered, if delivered by registered mail postage prepaid, return receipt requested, or by messenger or overnight courier service, addressed as follows:

**If to the MEGA by mail, messenger, or professional courier:**

Michigan Economic Growth  
Michigan Economic Development  
300 North Washington  
Lansing, Michigan 48201  
Attention: Jim Paquet

**If to the Company:**

RLP Technologies Inc.  
26955 Northwestern Highway  
Southfield, Michigan 48034  
Attention: Tax Manager

**8.4** Entire Agreement and Amendment. Subject to the terms and conditions of this Agreement and the Schedules attached to it contain the entire agreement between the Company and the MEGA with respect to the matters covered hereunder and shall supersede any and all previous Agreements. This Agreement shall not be amended except with the written consent of the Authority.

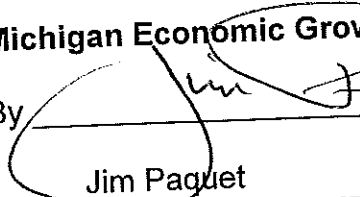
**8.5** Captions. The captions in this Agreement are for convenience only and in no way define, limit or describe the scope of intent of the parties to this Agreement.

**8.6** Interpretation. This Agreement shall be governed by the laws of the State of Michigan.

8.7 Acceptance. The terms of this Agreement are  
June, 2004

**Michigan Economic Gro**

By \_\_\_\_\_

  
Jim Paquet

Secretary to the ME

**RLP Technologies, Inc.**

By Mary McDonnell

Mary McDonnell  
President



**RLP Technologies, Inc.**

**Schedule A: Minimum Employment and  
to Qualify for the MEGA Tax Credit**

<u>Year of Credit</u>	<u>Tax Year Ending March 31st</u>	<u>Minimum # of Qualified New Jobs</u>	<u>Minimum Average Weekly Wage</u>
1	2005	5	\$1,270
2	2006	5	\$1,270
3	2007	5	\$1,270
4	2008	5	\$1,270
5	2009	25	\$1,270
6	2010	25	\$1,270
7	2011	25	\$1,270
8	2012	25	\$1,270

**RLP Technologies, Inc.**

**Schedule B**

RLP Technologies, Inc. certifies that:

1. It will follow a competitive bid process for residents and firms, for the construction, rehabilitation, and renovation of the facility, and that it will not discriminate on the basis of its affiliation or non-affiliation with any organization.

2. It will make a good faith effort to employ residents at the facility.

3. It will make a good faith effort to employ residents and firms to construct, rehabilitate, develop, or

Certified this 18 day of June 2004.

Certificate Number

00 - 235 - 04

**Initial Tax Credit Certificate**

Issued this 22<sup>nd</sup> day of June, 2004, by the

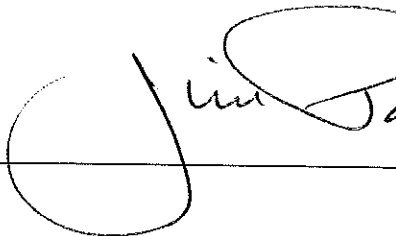
**Michigan Economic Growth Authority**

to RLP Technologies, Inc., Employer Identification Number [redacted],  
an Authorized Business pursuant to Public Act 24 of 1999.

The MEGA authorizes to RLP Technologies, Inc., an authorized business,  
percent for eight consecutive tax years, beginning with the tax year  
ending March 31, 2005 under Section 37c of Public Act 24 of 1999.

The Michigan Legislature encourages recipients of MEGA tax credit to make  
good faith effort to use Michigan-based suppliers and vendors for  
goods and services.

By \_\_\_\_\_



Secretary to the MEGA Board