

**MEGA TAX CREDIT AGREEMENT: RETENTION CREDIT  
VENTRA IONIA MAIN, LLC**

This Agreement is between the Michigan Economic Growth Authority and **Ventra Ionia Main, LLC**, a Delaware corporation. As used in this Agreement, the Michigan Economic Growth Authority and **Ventra Ionia Main, LLC** are sometimes referred to individually as a "Party" and collectively as "Parties".

The Michigan Economic Growth Authority Act, 1995 PA 24, as amended, created the MEGA with the power to provide tax credits to businesses involved in manufacturing, mining, research and development, wholesale and trade, office operations, qualified high-technology business, film and digital media production, or certain tourism attractions;

The Michigan Legislature determined that it is in the public interest to promote economic growth and to encourage private investment, job creation and job upgrading for Michigan residents;

The MEGA determined that providing tax credits to the Company for job creation will promote and serve the intended purposes of and conform with the Act; and

The MEGA and the Company desire to set forth the terms and conditions of the tax credits that the MEGA authorized for the Company by Resolution dated July 21, 2009.

The Parties, therefore, agree as follows:

**1.0 DEFINITIONS**

(a) "Act" means the Michigan Economic Growth Authority Act, 1995 PA 24, as amended.

(b) "Agreement" means this written agreement.

(c) "Application" means any information submitted to the MEGA in support of the Company's request for the MEGA Tax Credit.

(d) "Average Weekly Wage" means the total Salaries and Wages paid during the applicable tax year to employees performing Qualified Retained Jobs, divided by 52, divided by the number of Qualified Retained Jobs.

(e) "Business" means a proprietorship, joint venture, partnership, limited liability, partnership, trust, business trust, syndicate, association, joint stock company, corporation, cooperative, limited liability company, or any other organization.

(f) "Certificate Application" means the written information submitted each year in support of the Company's request for a Tax Credit Certificate that complies with Section 7.0 of this Agreement.

(g) "Company" means **Ventra Ionia Main, LLC** with the federal employer identification number [REDACTED]. As of the Effective Date, Company is an authorized business under the Act.

(h) "Effective Date" means October 26<sup>th</sup>, 2009.

(i) "Employer-paid Health Care Benefits" means all costs paid for a self-funded health care benefit plan or for an expense-incurred hospital, medical or surgical policy or certificate, nonprofit health care corporation certificate, or health maintenance organization contract. "Employer-paid Health Care

Benefits” do not include accident-only, credit, dental, or disability income insurance; long-term care insurance; coverage issued as a supplement to liability insurance; coverage only for a specified disease or illness; worker’s compensation or similar insurance; or automobile medical payment insurance.

(j) “Facility” means the Company’s location in Michigan identified in Section 2.0(b)(4) at which the Company will maintain Qualified Retained Jobs.

(k) “Full-time Job” means a job performed by an individual who is employed for at least 35 hours of work each week and for whom the Company, an Associated Business, Affiliated Business, Subsidiary Business, employee leasing company or a professional employer organization on behalf of the Company or other entity authorized under the Act, withholds income and social security taxes. In this Agreement, the terms “Associated Business,” “Affiliated Business,” and “Subsidiary Business” shall have the same meaning as defined in the Act.

(l) “MEGA” means the Michigan Economic Growth Authority created by the Act.

(m) “MEGA Tax Credit” means a credit against the Michigan Business Tax authorized by Section 431 of Public Act 36 of 2007, as amended.

(n) “Person” means an individual or business.

(o) “Project” means the project described in Section 2.0(b)(4) of this Agreement.

(p) “Qualified Retained Job” means a Full-time Job maintained at the Facility.

(q) “Relocation” means the transfer of a substantial portion of the Qualified Retained Jobs out of the state of Michigan.

(r) “Salaries and Wages” means wages, tips and other compensation reported in Box 1 of an employee’s W-2 form.

(s) “Tax Credit Certificate” means the certificate required to be issued by 2007 PA 36, as amended, which states that the Company is an authorized business, the amount of the MEGA Tax Credit authorized for a tax year, and the Company’s federal employer identification number or Michigan Treasury number.

(t) “Term” means the time period beginning with the Effective Date and ending on the last day of the last tax year in which the Company is eligible to receive a MEGA Tax Credit under this Agreement.

## 2.0 REPRESENTATIONS

(a) Representations by the MEGA. The MEGA makes the following representations and warranties as of the Effective Date:

(1) *Existence and Power.* The MEGA is a public body established and acting pursuant to the Act.

(2) *Authority.* The MEGA has the necessary authority under the Act to grant MEGA Tax Credits and has taken all action necessary to authorize, execute and deliver this Agreement.

(3) *Tax Credit Certificate.* The MEGA will issue the Company's initial Tax Credit Certificate, in the form attached to this Agreement, upon execution of this Agreement.

(b) Representations by the Company. The Company makes the following representations and warranties as of the Effective Date:

(1) *Existence and Power.* The Company validly exists and is in good standing under the laws of the State of Delaware and is qualified to transact business in Michigan.

(2) *Corporate Authority.* The Company's execution, delivery and performance of this Agreement is authorized by all necessary corporate action and will not violate any provision of law or of the Company's articles of incorporation or bylaws.

(3) *Full Disclosure.* Neither this Agreement nor the Application contain any untrue statement of or omit a material fact.

(4) *Project Description.* The Company and its affiliates, associates and subsidiaries as identified in Section 4.0(a)(8), due to the purchase of former Meridian facilities, are expanding their current operations and retaining jobs in the Cities of Ionia, Fowlerville and two locations in Kent County. The Company believes that the Project is economically sound and affirms that the investment capital or financing needed to complete the Project is now committed or soon will be available to the Company. As of July 21, 2009, the Project had not begun.

(5) *Job Retention.* The Project will result in the retention of 934 Full-time Jobs.

(6) *Certification.* The Company made the certifications required by Sections 8(3)(f) and 9(c)-(f) of the Act, which are attached to the Agreement as Schedule B.

### 3.0 MEGA TAX CREDIT

The MEGA authorized the MEGA Tax Credit described in this Agreement for the Company, subject to the conditions specified in Section 4.0 of this Agreement and the Company's compliance with this Agreement.

(a) MEGA Tax Credit. The MEGA Tax Credit shall be equal to 50 percent of the Michigan's personal income tax rate, as it exists at the beginning of the Company's tax year for which the credit is sought, multiplied by the sum of the Salaries and Wages and Employer-paid Health Care Benefits, of employees performing Qualified Retained Jobs, multiplied by a fraction, not to exceed one, calculated as follows:  $\text{new capital investment} / (\text{Qualified Retained Jobs} \times \$50,000)$ . The MEGA Tax Credit is authorized for six consecutive tax years beginning with the Company's tax year ending December 31, 2010, and ending not later than December 31, 2015, except as provided under Section 3.0(b).

(1) No more than 934 Qualified Retained Jobs may be used in calculating the MEGA Tax Credit, as provided in Section 431 of 2007 PA 36; and

(2) The maximum amount of total Salaries and Wages that may be used in a single tax year in calculating the MEGA Tax Credit for any one Qualified Retained Job is \$250,000.

(b) Advancing the Scheduled Years of the Credit. The Company may elect to begin the MEGA Tax Credit described in Section 3.0(a) in its tax year ending December 31, 2009. If the Company elects

to advance the MEGA Tax Credit as provided in this Section, the last year in which the Company may receive the MEGA Tax Credit will be December 31, 2014.

#### 4.0 CONDITIONS OF THE MEGA TAX CREDIT

(a) *Eligibility.* The Company shall not be eligible for the MEGA Tax Credit described in Section 3.0 of this Agreement unless:

- (1) The Company retains at least 50 Qualified Retained Jobs, as required under the Act;
- (2) The Average Weekly Wage paid to employees performing a Qualified Retained Job is at least \$563;
- (3) The Company agrees, as part of its certification to use best efforts to maintain jobs in Michigan when making plant location and closing decisions, to meet annually with a Michigan Economic Development Corporation representative and to disclose its base employment numbers at all facilities when submitting its annual tax credit certificate application;
- (4) The Company invested in the Facility, through construction, acquisition, transfer, purchase or contract, at least \$50,000 per Qualified Retained Job.
- (5) The Company pays the administrative fee described in Section 4.0(b).
- (6) The Company obtains a Tax Credit Certificate, as provided in Section 5.0.
- (7) The Cities of Ionia, Kentwood and Fowlerville transfer any existing tax abatements for property related to the Project.
- (8) A minimum of 600 employees will be retained and maintained at any combination of the following four entities, Ventra Fowlerville, LLC; Ventra Ionia Main, LLC; Ventra Grand Rapids 5, LLC; and Ventra Grand Rapids 29, LLC; and
- (9) A minimum of 733 employees will be retained and maintained at any combination of the following locations, as identified in the final application: Chrome Craft Corporation; Flex N Gate Battle Creek; Flex N Gate Royal Oak LLC, Flex-N-Gate Forming Technologies, LLC; Flex N Gate MTC; Ventra Ewart, LLC; and Flex-N-Gate SPD Warren; and

(b) *Administrative Fee.* The Company shall pay a one-time administrative fee of \$23,375 upon the submission of its first Certificate Application.

#### 5.0 TAX CREDIT CERTIFICATE

To obtain a Tax Credit Certificate in connection with the MEGA Tax Credit described in this Agreement, the Company shall:

(a) Retain the minimum number of Qualified Retained Jobs, as required by Schedule A of this Agreement, for the applicable tax year.

To compute the number of Qualified Retained Jobs in any tax year as determined in Section 3.0 and Schedule A, the Company shall determine the number of Qualified Retained Jobs as of the last day of each of the four quarters of the applicable tax year, total the results for the four quarters, and divide the sum by four.

(b) Pay at least the Average Weekly Wage provided in Section 4.0(a)(3) to employees in Qualified Retained Jobs;

(c) Pay each employee working in Qualified Retained Jobs an average hourly wage of at least 150 percent of the federal minimum wage in effect for the applicable tax year; and

(d) Provide a Certificate Application to the MEGA that satisfies the requirements of Section 7.0 of this Agreement.

Provided that the Company satisfied the requirements of Section 4.0, the Company's failure to satisfy the requirements of this Section in any given year does not preclude the Company for qualifying for and obtaining a MEGA Tax Credit in any other year during the Term.

## **6.0 AUDIT AND VERIFICATION**

The information provided by the Company in connection with the MEGA Tax Credit is subject to audit and verification by the MEGA or its designee. Subject to mutually agreeable reasonable confidentiality undertakings from the MEGA and upon reasonable advance written notice to the Company by the MEGA, the Company shall permit the MEGA or its designee, at the MEGA's sole expense and during normal business hours, to inspect the Company's files solely for the purpose of verifying eligibility for the MEGA Tax Credits authorized for the Company. The files subject to inspection include, but are not limited to, those relevant to wage and hour records, Employer-paid Health Care Benefits records, job classification, job assignments and employment histories. To the extent permitted under Section 5(3) of the Act, the Company may request confidential treatment of its financial or proprietary information retained by the MEGA in the course of its inspection.

## **7.0 ANNUAL CERTIFICATE APPLICATION**

(a) For each year in which the Company seeks a MEGA Tax Credit under this Agreement, the Company shall complete a Certificate Application.

(b) The Company shall file the Certificate Application with the MEGA at least 45 days prior to the day the Company's Michigan Business Tax return is due to the Michigan Department of Treasury. If the Michigan Department of Treasury grants the Company an extension of the deadline to file its Michigan Business Tax Return for the applicable tax year, the Company shall notify the MEGA of the extension and the Certificate Application must be filed with the MEGA at least 45 days prior to the extended deadline.

(c) The form of the Certificate Application shall be as specified by the MEGA. The Certificate Application must contain the following information:

(1) The number of Full-time Jobs at all of the Company's locations in Michigan, excluding the Qualified Retained Jobs for which the Company is seeking the MEGA Tax Credit, as of the end of each of the four quarters in the applicable tax year;

(2) The total Salaries and Wages, before deducting any personal or dependency exemptions, paid to and Employer-paid Health Care Benefits provided to employees who performed Qualified Retained Jobs during the applicable tax year;

(3) A certification by an authorized officer of the Company that the information provided in the Certificate Application is accurate; and

(4) Any other information reasonably related to determining the MEGA Tax Credit.

(d) Within 45 days of its receipt of the Certificate Application, the MEGA shall determine whether the requirements of this Agreement and the Act have been met and, if so, will calculate the amount of the MEGA Tax Credit and issue a Tax Credit Certificate to the Company.

(e) For each year during the Term, the Company must submit a completed Certificate Application even if the requirements described in Section 5.0 are not satisfied for that year. If the Company does not satisfy the requirements in Section 5.0 for a particular tax year, the MEGA will not issue a Tax Credit Certificate for that year and one year of the MEGA Tax Credit is forfeited. The Company, however, will continue to be eligible for the MEGA Tax Credit in any remaining years of the Term in which the requirements of Section 5.0 are met.

## **8.0 ADJUSTMENT, REDUCTION OR TERMINATION OF CREDITS**

(a) For any tax year in which the Company does not satisfy the conditions described in Section 4.0, no MEGA Tax Credits are, or will be, authorized under this Agreement.

(b) The Company's failure to comply with any provision of this Agreement, other than as a result of a clerical or technical error which is corrected upon its discovery, may result in revocation of the Company's designation as an authorized business or in the reduction or loss of any MEGA Tax Credits for which a Tax Credit Certificate has not been issued.

(c) A MEGA Tax Credit is subject to adjustment in any tax year following the tax year in which a Tax Credit Certificate is issued if the MEGA finds that the information on which the Tax Credit Certificate was based was incorrect or cannot be verified.

(d) If the MEGA determines that the Company misrepresented information in order to qualify for, or increase the amount of, a MEGA Tax Credit and the Company fails to cure it within thirty days after receiving notice pursuant to 8.0 (e), the MEGA may terminate this Agreement and shall notify the Michigan Department of Treasury of the termination. The State of Michigan may require repayment of any MEGA Tax Credits received by the Company as a result of a misrepresentation.

(e) Prior to taking any adverse action against the Company under this Section, the MEGA shall provide the Company with written notice of its intended action and the basis for that action. The Company shall have a reasonably opportunity to respond, as identified in the notice.

## **9.0 REPAYMENT PROVISION**

Should a Relocation occur, the following shall apply:

(a) If the Relocation occurs on or before the fourth year from the year in which the Company may first receive a MEGA Tax Credit under Section 3.0 and Schedule A of this Agreement, the Company shall repay 100 percent of the total amount of the MEGA Tax Credit received;

(b) If the Relocation occurs after the fourth year and on or before the end of the sixth year from the year in which the Company may first receive a MEGA Tax Credit under Section 3.0 and Schedule A of this Agreement, the Company shall repay up to 100 percent of the total amount, as determined by the MEGA Board, of the MEGA Tax Credit received;

(c) If the Relocation occurs within 12 months after the sixth year from the year in which the Company may first receive a MEGA Tax Credit under Section 3.0 and Schedule A of this Agreement, the Company shall repay up to 100 percent of the total amount, as determined by the MEGA Board, of the MEGA Tax Credit received.

This Section shall survive the termination of this Agreement.

## 10.0 MISCELLANEOUS

(a) *Reporting.* The Company shall provide the MEGA with information regarding its MEGA Tax Credit as the MEGA may reasonably require. The Company shall meet annually, at a mutually agreed upon time and location, with a Michigan Economic Development Corporation representative.

(b) *Assignment of MEGA Tax Credit.* The MEGA Tax Credit described in this Agreement shall not be transferred or assigned provided, however, that in the event of a merger or a Person acquires all or substantially all of the assets or stock of the Company in Michigan after the Effective Date, the MEGA shall authorize the transfer of the Company's rights under this Agreement to that Person if:

(1) The Person agrees in writing to assume all of the duties and responsibilities of the Company under this Agreement; and

(2) The MEGA determines that the transfer is consistent with and will serve the purposes of the Act.

(c) *Severability.* If any clause, provision, or section of this Agreement is held invalid by any court, the invalidity of that clause, provision or section shall not affect the remaining clauses, provisions or sections of this Agreement and this Agreement shall be construed and enforced as if such invalid clause, provision, or section had not been contained in this Agreement.

(d) *Notices.* All notices or other communications provided in connection with this Agreement shall be deemed received when delivered, if delivered by registered or certified mail, postage prepaid, return receipt requested, or by messenger or professional courier service, addressed as follows:

**TO MEGA:** Michigan Economic Development Corporation  
Michigan Economic Growth Authority  
300 North Washington Square  
Lansing, Michigan 48913  
ATTN: MEGA Board Secretary  
[MEGA-Admin@michigan.org](mailto:MEGA-Admin@michigan.org)

**TO Company:** Ventra Ionia Main, LLC  
c/o Flex-N-Gate Group  
538 Blanchard Park  
Lakeshore, ON N8N 2L9  
ATTN: Dave Ekblad  
[dekblad@flexngate.com](mailto:dekblad@flexngate.com)

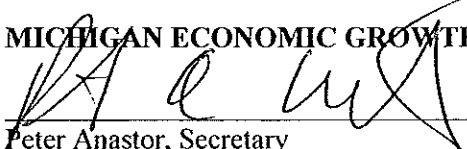
(e) *Entire Agreement and Amendment.* Subject to the Act, this Agreement, including the attached Schedules, is the entire agreement between the Parties with respect to the subject matter described herein and supersedes any previous agreements. This Agreement may not be amended without the written consent of the Parties.

(f) *Captions.* The captions 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.

(g) *Interpretation.* This Agreement shall be governed by and interpreted in accordance with the laws of the State of Michigan.

(h) *Counterparts.* This Agreement may be executed by the parties hereto individually or in one or more counterparts, each of which shall be an original and all of which shall together constitute one and the same agreement. This Agreement, signed and transmitted by facsimile machine or pdf file, is to be treated as an original document and the signature of any party hereon, if so transmitted, is to be considered as an original signature, and the document so transmitted is to be considered to have the same binding effect as a manually executed original.

**MICHIGAN ECONOMIC GROWTH AUTHORITY**

  
Peter Anastor, Secretary

**VENTRA IONIA MAIN, LLC**

  
Dave Ekblad, Chief Financial Officer



**Ventra Ionia Main, LLC**  
**Schedule A**  
**Minimum Employment and Wage Levels to Qualify for the MEGA Tax Credits**

Year of Credit	Company's Tax Year Ending December 31	Minimum # of Qualified Retained Jobs, per year**	Minimum Average Weekly Wage**	Minimum # of Qualified Retained Jobs, per year***
1	2010*	600	\$563	733
2	2011	600	\$563	733
3	2012	600	\$563	733
4	2013	600	\$563	733
5	2014	600	\$563	733
6	2015	600	\$563	733

\*Should the Company elect to advance the scheduled years of the MEGA Tax Credit, as permitted under Section 3.0(b) of the Agreement, the Company's Tax Year Ending years listed on this table shall be considered advanced, accordingly.

\*\* As defined in, and applied to, Section 4.0 (a)(8) of this Agreement.

\*\*\* As defined in Section 4.0(a)(9) of this Agreement.

**Ventra Ionia Main, LLC**

The undersigned, in his capacity as the duly appointed Chief Financial Officer of **Ventra Ionia Main, LLC** certifies, without personal liability, that:

1. It will follow a competitive bid process, open to all Michigan residents and firms, for the construction, rehabilitation, development, or renovation of the Facility, and it will not discriminate against any contractor on the basis of its affiliation or non-affiliation with any collective bargaining organization.
2. It will make a good faith effort to employ, if qualified, Michigan residents at the Facility.
3. It will make a good faith effort to employ or contract with Michigan residents and firms to construct, rehabilitate, develop, or renovate the Facility.
4. It is encouraged to make a good faith effort to utilize Michigan-based suppliers and vendors when purchasing goods and services.
5. Without the MEGA Tax Credits and the capital investment described in the Agreement, the Facility is at risk of closing and the work and jobs would be removed to a location outside of the state of Michigan.
6. Its management or ownership is committed to improving the long-term viability of the Facility in meeting the national and international competition through better management techniques; best practices, including, but not limited to, state of the art lean manufacturing practices; and market diversification.
7. It will make best efforts to keep jobs in Michigan when making location and closing decisions.
8. The Facility's workforce demonstrates its commitment to improving productivity and profitability at the Facility through various means.

Certified on September 21<sup>st</sup>, 2009.



Dave Ekblad

**Ventra Ionia Main, LLC  
Schedule B**

The undersigned, in his capacity as the duly appointed Chief Financial Officer of **Ventra Ionia Main, LLC** certifies, without personal liability, that:

1. It will follow a competitive bid process, open to all Michigan residents and firms, for the construction, rehabilitation, development, or renovation of the Facility, and it will not discriminate against any contractor on the basis of its affiliation or non-affiliation with any collective bargaining organization.
2. It will make a good faith effort to employ, if qualified, Michigan residents at the Facility.
3. It will make a good faith effort to employ or contract with Michigan residents and firms to construct, rehabilitate, develop, or renovate the Facility.
4. It is encouraged to make a good faith effort to utilize Michigan-based suppliers and vendors when purchasing goods and services.
5. Without the MEGA Tax Credits and the capital investment described in the Agreement, the Facility is at risk of closing and the work and jobs would be removed to a location outside of the state of Michigan.
6. Its management or ownership is committed to improving the long-term viability of the Facility in meeting the national and international competition through better management techniques; best practices, including, but not limited to, state of the art lean manufacturing practices; and market diversification.
7. It will make best efforts to keep jobs in Michigan when making location and closing decisions.
8. The Facility's workforce demonstrates its commitment to improving productivity and profitability at the Facility through various means.

Certified on \_\_\_\_\_, 2009.

\_\_\_\_\_  
Dave Ekblad

Certificate Number  
00—565-- 09

*Initial Tax Credit Certificate*

**Ventra Ionia Main, LLC**

Issued this 26<sup>th</sup> day of October, 2009, by the

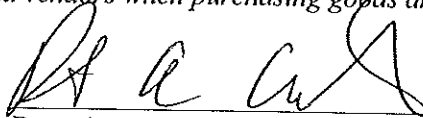
*Michigan Economic Growth Authority*

To **Ventra Ionia Main, LLC**, Employer Identification Number, [REDACTED], an Authorized Business pursuant to Public Act 24 of 1995, as amended.

*The MEGA authorizes to Ventra Ionia Main, LLC a MEGA Tax Credit of 50 percent for six consecutive tax years, beginning with the Company's tax year ending on December 31, 2007, under Section 431 of Public Act 36 of 2007.*

*The Michigan Legislature encourages recipients of MEGA Tax Credits to make a good faith effort to use Michigan-based suppliers and vendors when purchasing goods and services.*

By:



Peter Anastor  
Secretary to the MEGA Board



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

100 N. WASHINGTON SQ.  
ANN ARBOR, MI 48103

CUSTOMER  
ASSISTANCE CENTER  
(517) 373-9808

WWW.THEMEDC.ORG

September 3, 2009


Mr. Reg Adams  
President and CEO  
Windtronics, LLC  
380 W. Western, Ste 301  
Muskegon, Michigan 49440

Dear Mr. Adams,

I regret to inform you that because your company has not signed its MEGA Tax Credit Agreement, the resolution passed at the MEGA Board Meeting on May 19, 2009, for Windtronics, LLC, has been rescinded.

If you have any questions you may contact me at (517) 373-9014 or via e-mail at [anastorp1@michigan.org](mailto:anastorp1@michigan.org)

Sincerely,

  
Peter Anastor  
Secretary to the MEGA Board

EXECUTIVE COMMITTEE

MATTHEW P. CULLEN  
Chair  
Rock Ventures

PHILIP H. POWER  
Vice-Chair  
The Center for Michigan

GREGORY MAIN  
President and CEO

RICHARD E. BLOUSE JR., CCE  
Detroit Regional Chamber

JOHN W. BROWN  
Stryker Corporation

R. DAVID E. COLE  
Center for  
Automotive Research

DANN CRARY  
Saginaw Future Inc.

R. HAIFA FAKHOURI  
Arab American and  
Chaldean Council

TEVEN K. HAMP  
Hamp Advisors, LLC

DAVID HILLEGONDS  
DTE Energy Company

GEORGE W. JACKSON JR.  
Detroit Economic  
Growth Corporation

FRITZ M. KLOHS  
The Right Place, Inc.

THOMAS LEWAND  
Bodman LLP

DANLEY "SKIP" PRUSS  
Michigan Department of Energy,  
Labor & Economic Growth

IRVIN D. REID  
Wayne State University

INFORD "SANDY" RING  
Hino Motors  
Manufacturing U.S.A., Inc.

MICHAEL B. STAEBLER  
Pepper Hamilton LLP

TERESA WALTERS  
Guardian Industries Corp.

JODD A. WYETT  
Versa Development, LLC