

SAMPLE TEMPLATE

Note: Content will be filled in by MEDC Legal staff from information provided in application materials. MEDC Legal coordinates obtaining the signatures of company and local unit of government.

Memorandum of Understanding

Tool & Die Recovery Zone Company
with 75 or more full-time employees

This Memorandum of Understanding (the "Agreement") is between the Michigan Strategic Fund ("MSF"), a Michigan public body corporate and politic, [COMPANY], a [STATE OF INCORPORATION] [TYPE OF ENTITY], and (NAME OF LOCAL UNIT WHERE PARCEL IS LOCATED TO BE DESIGNATED AS A RECOVERY ZONE). Collectively, the MSF, Company and Local Unit of government are referred to in this Agreement as the "Parties."

- A) Pursuant to Section 8d(8) of the Michigan Renaissance Zone Act (the "Act"), 1996 PA 376, as amended, a qualified tool and die business that has 75 or more full-time employees may be included in a recovery zone if that business enters into a written agreement with the board of the Michigan Strategic Fund ("MSF") and the local unit(s) of government where the business is located.
- B) The [NAME OF COMPANY] applied to the MSF (the "Application") for a Tool & Die Recovery Zone designation in the [City/Township/Village], County of [NAME];
- C) The [City/Township/Village], approved a _____ year zone designation;
- D) At its [DATE OF MEETING] meeting, the MSF Board approved of a Recovery Zone designation for (NAME OF COMPANY), subject to the terms and conditions of this Agreement.

In consideration of the MSF's approval of the recovery zone designation for (NAME OF COMPANY) and the mutual covenants in this Agreement, the Parties agree as follows:

- 1) **Size and Location of Property.** The Company represents that the recovery zone property location is either leased or owned and used primarily for tool and die business operations. The property consists of approximately ___ acres, as more particularly described on Exhibit A to this Agreement (the "Property").
- 2) **Duration of Designation.** The [City/Township/Village] consented to, and the MSF Board approved, the Recovery Zone for a _____ year period. The designation begins January 1, 20___, and ends December 31, 20___, for Michigan Business Tax ("MBT") and income tax purposes (the "Term"). For property tax calculation purposes, the designation begins with the tax year ending December 31, 20___.

3) **Conditions of Recovery Zone Designation.** As a condition of obtaining the Recovery Zone designation for the Property, the Company shall:

- a) Not be delinquent in state or local taxes;
- b) Maintain the Property in good condition, including, but not limited to, buildings, equipment, landscaping, yards, fencing, parking lots and all fixtures;
- c) Comply with all federal, state and local laws and regulations, including, but not limited to, all applicable environmental, building, zoning and noise codes and ordinances in the operation of the business;
- d) Participate in and comply with the collaborative agreement of the (NAME OF RECOVERY ZONE) Recovery Zone; and
- e) Retain the number of full time employees at the time of designation unless economic conditions prohibit the maintenance of the Company's number of full time employees.

4) **Recovery Zone Benefits.** During the Term, the Company shall receive the exemptions, deductions, credits and other benefits of the Recovery Zone designation described in the Act (together, the "Credits"). The Company acknowledges that the benefits provided under the Act do not include relief from the payment of certain property taxes relating to bonds, school sinking fund obligations and special assessments described in MCL 211.7ff.

5) **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:

To Company:
Name
Title
Company
Address
City, State Zip

To MSF:
Michigan Strategic Fund
MEDC Program Administration, Manager
Renaissance Zone Program
300 North Washington Square
Lansing, Michigan 48913

To Local Unit:
Name
Title
Local Unit
Address
City, State Zip

6) **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.

7) **Amendments.** No amendment to this Agreement shall be effective unless it is in writing and signed by the Parties.

8) **Effective Date.** This Agreement is effective [DATE OF RECOVERY ZONE APPROVAL] (the "Effective Date").

9) **Counterparts.** This Agreement may be executed in one or more counterparts and by facsimile or email, each of which shall constitute an original, and all of which together shall constitute one and the same instrument.

[COMPANY]

MICHIGAN STRATEGIC FUND

By: _____
Its: _____

Michael Pohnl
Fund Manager

(LOCAL UNIT OF GOVERNMENT)

By: _____
Its: _____

EXHIBIT A
PROPERTY DESCRIPTION

As approved by the MSF Board Resolution, dated _____, 20__, the Zone shall be comprised of the following property parcels:

