

AGENCY AGREEMENT

This Agreement is made this 25th day of August, 2011, by THE LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITIES OF HOUGHTON AND HANCOCK, a multi-jurisdictional local development finance authority under the provisions of Act 281, Public Acts of Michigan, 1996, the address of which is P.O. Box 606, Houghton, Michigan 49931, hereinafter "the LDFA", and MICHIGAN TECH ENTERPRISE CORPORATION (MTEC), a Michigan non-profit corporation, the address of which is P.O. Box 395, Houghton, Michigan 49931, hereinafter "MTEC".

RECITALS

The LDFA, the Michigan Economic Development Corporation, hereinafter "the MEDC", Michigan Technological University, and the Cities of Hancock and Houghton are parties to the Michigan Tech Enterprise SmartZone Agreement, dated February 7, 2002, "the SmartZone Agreement". The LDFA has submitted a related development plan, hereinafter "the LDFA Plan", to the MEDC, which has been approved by the MEDC. Pursuant to the terms of the SmartZone Agreement and the LDFA Plan, the LDFA is in the process of creating "Business Incubators" or "Certified Technology Parks" within the meaning of the SmartZone Agreement and pursuant to the terms of the LDFA Plan. The LDFA requires assistance on a day-to-day basis to conduct its business in the ordinary course under the SmartZone Agreement and the LDFA Plan. Section 3.01(b) of the SmartZone Agreement permits the LDFA to make a contract with MTEC to assume, on behalf of the LDFA, the responsibility of operating and planning the activities supported by the LDFA, providing administrative services to the LDFA, conducting an integrated market study, generating specific marketing plans, identifying methods of facilitating technological commercialization, and the implementation of an integrated marketing program. MTEC is willing to serve as the agent of the LDFA for these purposes and, consequently, the LDFA and MTEC make this Agency Agreement.

COVENANTS

In consideration of the mutual covenants set forth below, the parties agree as follows:

1. The LDFA appoints MTEC as its agent to conduct activities of the LDFA on a day-to-day basis in connection with the SmartZone Agreement and the LDFA plan. MTEC accepts this appointment. In its capacity as agent for the LDFA, MTEC shall assume on behalf of the authority:
 - a. The responsibility for operating and planning activities of, or supported by, the LDFA;
 - b. Providing administrative services to the LDFA;
 - c. Conducting marketing studies, if any, required by the LDFA;
 - d. Generating specific marketing plans, if any, required by the LDFA;
 - e. Identifying methods of facilitating technology commercialization;
 - f. Implementation of integrated marketing programs; and
 - g. Such other tasks as the LDFA may assign to MTEC in writing, from time to time, with acceptance of such assignments by MTEC in writing.

2. The LDFA plans to create Business Incubators within the meaning of the SmartZone Agreement. In this regard, the LDFA has purchased real property within the City of Houghton commonly known as “the Power House”, and has purchased one condominium unit in a condominium created by Finlandia University at the site of the former hospital of Portage Health System located within the City of Hancock. In addition, the MTEC, has entered into a 20-year lease for incubator space in Michigan Tech University’s Lakeshore Center in the City of Houghton and may acquire or create additional Business Incubators in the future. The LDFA desires to attract tenants engaged in high technology activity (as defined in MCL 125.2152(s) and MCL 207.8083) to lease space within its Business Incubators. In connection with this activity, MTEC shall serve as the agent of the LDFA for the following purposes:
 - a. To advertise the availability of space within the Incubators for lease to persons or entities engaged in high technology activity;
 - b. To negotiate and see to the execution of leases of space within the Incubators to prospective tenants engaged in high technology activity;
 - c. To collect rents and other amounts due from tenants at the Incubators and all rent payments collected will be retained for purpose of general funds of MTEC;
 - d. To administer leases of space within the Incubators by, among other things, assisting to fulfill the obligations of the landlord under these leases and to assure compliance by tenants with the tenant’s obligations under the terms of these leases;
 - e. To pay all utilities, maintenance, and insurance expenses associated with the Incubators on behalf of the LDFA;
 - f. To contract for or undertake the making of all necessary repairs in the performance of all other necessary work at the Incubators; however, no expenses shall be occurred for such non-budgeted matters in excess of \$2,500.00 Dollars for any single item without the prior written consent of the LDFA except as required during an emergency;
 - g. To perform all other necessary tasks and to do all other things as required for the proper management, upkeep and operation of the Incubators as might customarily be performed by a managing agent of this type of property, including the handling of all inquires and requests from tenants; and
 - h. To render such reports and accountings regarding the administration of the Certified Technology Parks as may be required from time to time by the LDFA.
3. In connection with its services as agent of the LDFA, MTEC may make purchases of tangible personal property on behalf of the LDFA with LDFA funds. However, no such purchase in an amount in excess of \$2,500.00 Dollars shall be made without the prior written consent or LDFA board approval unless previously approved by the LDFA.
4. MTEC may negotiate insurance contracts on behalf of the LDFA and pay the premiums due on these contracts. Such insurance contracts may include policies to

insure the directors and employees of the LDFA for errors, omissions, and related liability; policies to insure the LDFA against general liability; and policies to insure the LDFA for casualty loss to its property, including office equipment and other tangible personal property owned by the LDFA and the buildings and improvements located in the Incubators.

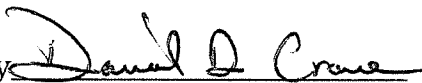
5. MTEC may execute lease agreements and service agreements with tenants on behalf of the LDFA as the agent for the LDFA. Except as otherwise permitted by this Agreement, MTEC may not execute other written agreements on behalf of the LDFA without the prior written approval of the LDFA or unless such written agreements are executed within conditions and restrictions set forth in written policy statements issued by the LDFA which address this issue.
6. The LDFA may request MTEC to prepare on behalf of the LDFA written reports, grant requests, or other official documents required from or by the LDFA for submission to the State of Michigan or other governmental authority.
7. MTEC shall maintain the accounts of the LDFA and shall contract on behalf of the LDFA with accounting firms, when necessary, accounting and auditing services reasonably required for the purpose of preparing financial statements for the LDFA and assuring compliance with all auditing and accounting requirements under state law.
8. In connection with its administration of the business of the LDFA, MTEC shall prepare an annual budget for each fiscal year of the LDFA. The fiscal year of the LDFA shall commence on July 1 of each year and the annual budget will be submitted to the LDFA at least sixty (60) days before the commencement of each fiscal year. The LDFA may approve or amend the annual budget prepared by MTEC. The annual budget adopted by the LDFA shall govern the expenditures of MTEC on behalf of the LDFA for the ensuing fiscal year. The LDFA shall make monthly payments to MTEC.
9. The annual budget shall contain at least the following four major budget categories: Salary & Fringe Benefits, Administration, Marketing, and Program, Rent, Utilities. MTEC may reallocate funds within any of these budget categories without LDFA approval so long as the respective adjusted total does not exceed 3% of the total annual amount budgeted. If expenditures made by MTEC on behalf of the LDFA result in a budget surplus in any fiscal year, the budget surplus shall be applied to future operating reserve for MTEC for the budgets for future fiscal years.
10. MTEC shall provide to the LDFA quarterly financial reports, including at least a balance sheet and statement of income and expenditures. These quarterly reports shall be due to the LDFA within sixty (60) days of the end of each quarter. The quarters of the fiscal year shall end on September 30, December 31, March 31, and June 30.
11. Either party may terminate this Agreement by giving written notice to the other party at least ninety (90) days before the date specified for termination in the

notice. In the event of such termination, payments due from the LDFA to MTEC toward the annual budget will be prorated as of the date of termination. After a notice of termination has been given, MTEC shall make no expenditures from its annual budget for any single item in excess of One Thousand Dollars (\$1,000.00) without the prior written consent of the LDFA. MTEC shall return to the LDFA any amounts paid by the LDFA to MTEC toward its annual budget which remain unexpended. This reimbursement due from MTEC to the LDFA shall be paid within fifteen (15) days with of the date of termination or within (15) days of the last expense made prior to the date specified for termination.

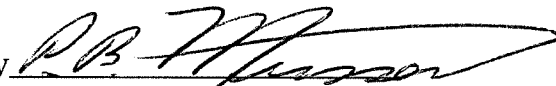
12. MTEC hereby acknowledges that its first priority is to act as an agent of the LDFA pursuant to the terms and provisions of the SmartZone Agreement and the LDFA Plan. However, MTEC may conduct projects and activities beyond its duties as agent of the LDFA. In other words, the activity of MTEC need not be exclusively dedicated to the LDFA. However, projects and activities of MTEC not undertaken pursuant to the terms and provisions of the SmartZone Agreement and the LDFA Plan shall not be financed from funds paid by the LDFA toward the annual agency budget of MTEC; rather, the separate projects shall be funded by the separate funds of MTEC, and MTEC shall maintain separate financial account classes that show the expenditure.

IN WITNESS WHEREOF, the parties, by their duly authorized representatives, have made this Agreement on the day and year above-mentioned.


LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITIES OF HOUGHTON AND HANCOCK

By 
DANIEL D. CRANE,
Its Chairman

MICHIGAN TECH ENTERPRISE CORPORATION

By 
PHILIP B. MUSSER,
Chairman of the Board of Directors

MICHIGAN TECH ENTERPRISE CORPORATION

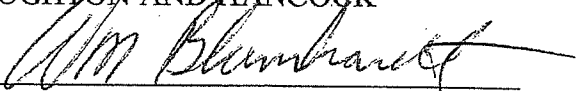
By 
CARLTON K. CROTHERS,
Chief Executive Officer

MEMORANDUM OF UNDERSTANDING

This Memorandum is made this 18th day of March, 2003, by the LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITIES OF HOUGHTON AND HANCOCK, a multi-jurisdictional local development finance authority under the provisions of Act 281, Public Acts of Michigan, 1996, the address of which is P.O. Box 606, Houghton, Michigan 49931, hereinafter "the LDFA", and MICHIGAN TECH ENTERPRISE CORPORATION, a Michigan non-profit corporation, the address of which is City Centre Building, 616 Sheldon Avenue, Room 213, Houghton, Michigan 49931, hereinafter "MTEC".

The LDFA requires an agent to handle its business on a day-to-day basis. The LDFA and MTEC contemplate the negotiation and execution of an agreement or agreements by the terms of which MTEC shall serve as the agent for the LDFA. However, the LDFA requires the services of MTEC immediately even though it is anticipated that it may be a matter of weeks before an agency agreement is ready for execution by the parties. MTEC is willing to serve as the agent of the LDFA on an interim basis until an agency agreement can be negotiated and executed but MTECH requires operating funds in the meantime. Consequently, the LDFA agrees to pay the sum of \$115,895.00 to MTEC and MTEC agrees to serve as the agent of the LDFA to conduct the day-to-day business of the LDFA until an agency agreement can be executed or the advance funds have been expended, whichever occurs earlier. The amount advanced to MTEC under this Memorandum shall constitute an installment payment of the funds eventually due from the LDFA to MTEC for the services of MTEC and shall apply toward the first annual budget of MTEC under the agency agreement.


LOCAL DEVELOPMENT FINANCE
AUTHORITY OF THE CITIES OF
HOUGHTON AND HANCOCK

By 
WILLIAM BLUMHARDT,
Its Vice-President

MICHIGAN TECH ENTERPRISE
CORPORATION

By 
PHILIP B. MUSSER,
Chairman of the Board of Directors

MICHIGAN TECH ENTERPRISE
CORPORATION

By 
ALAN WEST,
Chief Executive Officer



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

COPY

300 N. WASHINGTON SQ.
LANSING, MI 48913

CUSTOMER ASSISTANCE
517 373 9808

WWW.MICHIGAN.ORG

July 15, 2002

Mr. Peter Radecki
Executive Director
Corporate Services
Michigan Technological University
107 Meese Center
Houghton, MI 49931

EXECUTIVE COMMITTEE

GOVERNOR JOHN ENGLER
General Chair

MATTHEW P. CULLEN
Chair
General Motors

PHILIP H. POWER
Vice-Chair
HomeTown Communications
Network

FACUNDO BRAVO
Uni Boring Co., Inc.

JOHN W. BROWN
Stryker Corporation

DR. DAVID E. COLE
Center for
Automotive Research

JOANN CRARY
Saginaw Future Inc.

STEVEN K. HAMP
Henry Ford Museum &
Greenfield Village

HAYDEN H. HARRIS
EDF Ventures

DEWITT J. HENRY
Wayne County

PAUL HILLEGONDS
Detroit Renaissance

MAYOR DAVID HOLLISTER
City of Lansing

MICHAEL J. JANDERNOA
Perrigo Company

BIRGIT M. KLOHS
The Right Place Program

DR. IRVIN D. REID
Wayne State University

S. MARTIN TAYLOR
DTE Energy Company

PETER S. WALTERS
Guardian Industries
Corporation

PRESIDENT & CEO
DOUG ROTHWELL

Dear Pete:

It is with great pleasure that I am enclosing the Ratification Agreement by the Michigan Department of Treasury for your SmartZone LDFA plan. This document represents the culmination of much hard work.

The MEDC, and I personally, appreciate your hard work and we look forward to a productive partnership. If you have any questions, please contact me.

Best Regards,

Matthew Dugener
Managing Director
Targeted Community Initiatives

Attachment

cc: Jeff Kaczmarek

**RATIFICATION AGREEMENT BY THE MICHIGAN
DEPARTMENT OF TREASURY**

WHEREAS, the Michigan Legislature passed and the Governor signed Public Act 248 of 2000 to promote, *inter alia*, the development of high technology businesses throughout the State of Michigan; and

WHEREAS, the Michigan Economic Development Corporation ("MEDC") has been authorized by Public Act 281 of 1986, as amended, being MCL 125.2151 et seq. (the "Act"), to designate a certain number of certified technology parks within the State of Michigan, by December 31, 2002; and

WHEREAS, the MEDC, for strategic marketing purposes, has chosen to designate the aforementioned certified technology parks as "SmartZones"; and

WHEREAS, the MEDC issued a Request for Proposals for SmartZone designation; and

WHEREAS, the Cities of Houghton and Hancock ("Cities"), and the their joint Local Development Finance Authority ("Authority") submitted a Proposal to the MEDC requesting designation as a Certified Technology Park of certain areas located within the Cities' jurisdiction; and

WHEREAS, the Authority and the Cities approved a tax increment financing plan ("TIFP"), pursuant to the Act; and

WHEREAS, the MEDC, the Cities and the Authority have entered into an agreement ("The Michigan Tech Enterprise SmartZone Agreement"), which contemplates the capture of fifty percent (50%), of the amounts levied by the State pursuant to the state education act, Public Act 331 of 1993, being MCL 211.901 to 211.906, and local and intermediate school districts for a period of fifteen (15) years for levies imposed on or after January 1, 2003, (such levies collectively referred to as the "Capture"), on the basis of an initial taxable value determined as of December 31, 1999, for all purposes and in those amounts authorized under the Act by the TIFP; and

WHEREAS, a condition of the effectiveness of the Michigan Tech Enterprise SmartZone Agreement under the Act, is that the Michigan Department of Treasury, through the State Treasurer, would accept and approve the Capture for the purpose of reducing unemployment, promoting economic growth, and increasing capital investment in the Cities, as determined by the State Treasurer; and

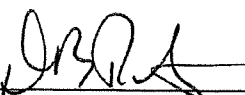
WHEREAS, the State Treasurer has reviewed the terms and conditions of the Capture and found them to be acceptable.

NOW THEREFORE, the Michigan Department of Treasury by its State Treasurer, ratifies, confirms and agrees by this instrument to accept and approve, the Capture under the following terms and conditions:

1. The Michigan Tech Enterprise Certified Technology Park shall be allowed to capture fifty percent (50%), of the amounts levied by the State pursuant to the state education act, Public Act 331 of 1993, being MCL 211.901 to 211.906, and local and intermediate school districts for a period of fifteen (15) years for levies imposed on or after January 1, 2003, on the basis of an initial taxable value determined as of December 31, 1999, for all purposes and in those amounts as detailed in the TIFP and authorized under the Act.

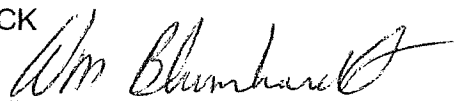
Signed on behalf of the Michigan Department of Treasury this 9th day of July, 2002.

MICHIGAN DEPARTMENT OF TREASURY

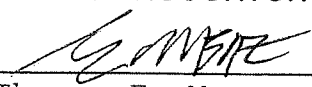
By: 
Douglas B. Roberts
State Treasurer

This ratification is agreed to and accepted this 27th day of February, 2002 in full compliance with Section 2 of Public Act 281 of 1986, as amended, being MCL 125.2151 et seq.

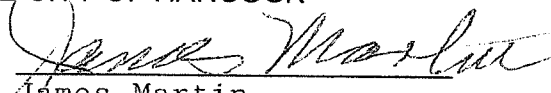
THE LOCAL DEVELOPMENT
FINANCE AUTHORITY OF THE CITIES OF HOUGHTON AND
HANCOCK

By: 
William Blumhardt
Vice Chairman

THE CITY OF HOUGHTON

By: 
Thomas E. Merz
Mayor

THE CITY OF HANCOCK

By: 
James Martin
Mayor

LOCAL DEVELOPMENT FINANCE AUTHORITY
% GLENN ANDERSON
399 QUINCY ST
HANCOCK MI 49930

FOR ASSISTANCE CALL US AT:
1-800-829-1040

OR WRITE TO THE ADDRESS
SHOWN AT THE TOP LEFT.

IF YOU WRITE, ATTACH THE
STUB OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER (EIN)

Thank you for your Form SS-4, Application for Employer Identification Number (EIN). We assigned you EIN 04-3596625. This EIN will identify your business account, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

Use your complete name and EIN shown above on all federal tax forms, payments and related correspondence. If you use any variation in your name or EIN, it may cause a delay in processing and incorrect information in your account. It also could cause you to be assigned more than one EIN.

Please use the label IRS provided when filing tax documents. If that isn't possible, use your EIN and complete name and address shown below to identify your account and to avoid delays in processing.

LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF HOUGHTON & HANCOCK
% GLENN ANDERSON
399 QUINCY ST
HANCOCK MI 49930

If this information isn't correct, please correct it using page 2 of this notice. Return it to the address shown so we can correct your account.

If you want to apply to receive a ruling or a determination letter recognizing your organization as tax exempt, and have not already done so, you should file Form 1023/1024, Application for Recognition of Exemption, with the IRS Ohio Key District Office. Publication 557, Tax Exempt Status for Your Organization, is available at most IRS offices and has details on how you can apply.

City of Houghton
County of Houghton, Michigan

RESOLUTION # 2001-992

RESOLUTION CREATING A LOCAL DEVELOPMENT
FINANCE AUTHORITY WITH THE CITY OF HANCOCK, DESIGNATION OF
AUTHORITY DISTRICT BOUNDARIES, APPROVING AN AGREEMENT
PURSUANT TO
ACT 281 AND OTHER MATTERS RELATED THERETO

WHEREAS, the City of Houghton, Michigan (the "City" or "Houghton"), is a municipality authorized by the provisions of Act 281, Public Acts of Michigan, 1986, as amended ("Act 281"), to create a multi-jurisdictional local development finance authority with the City of Hancock ("Hancock"); and

WHEREAS, pursuant to Act 281, Hancock desires to enter into an Agreement to be created by the City and Houghton, a municipality also authorized to create a local development finance authority. This Agreement shall govern appointments to and membership on the board of the multi-jurisdictional local development finance authority (the "Agreement"); and

WHEREAS, pursuant to Act 281, the City Council of the City of Houghton (the "City Council") intends to proceed with the establishment of such an authority district; and

WHEREAS, pursuant to Act 281, a public hearing was conducted not less than 60 days prior to the date of this Resolution on the adoption of this resolution creating a multi-jurisdictional authority and the designation of the authority district in which the authority will exercise its powers.

NOW, THEREFORE, BE IT RESOLVED THAT:

- a. Determination of Necessity: Purpose. The City Council hereby determines that it is necessary for the public welfare of the City to recreate a multi-jurisdictional local development finance authority with the City of Hancock, County of Houghton, pursuant to Act 281 which shall operate to eliminate the conditions of unemployment, underemployment and joblessness and to promote economic growth in the City.
- b. Creation of Authority. The City hereby agrees to create with Hancock a public body corporate pursuant to Act 281 which shall be and shall be known and exercise its power under title of the "Local Development Finance Authority of the Cities of Houghton and Hancock" (the "Authority"). The Authority may adopt a seal, may sue and be sued in any court of this State, and shall possess all of the powers necessary to carry out the purpose of its incorporation as provided by this

resolution and Act 281. The enumeration of a power in this resolution or in Act 281 shall not be construed as a limitation upon the general powers of the Authority.

- c. Designation of Authority District. The property described in Exhibit A attached hereto and made a part hereof is hereby designated as the Authority District (the "Authority District").
- d. Powers of Authority. Except as specifically otherwise provided in this resolution the Authority shall have all powers provided by law subject to the limitation imposed by law and herein.
- e. Approval of Agreement Pursuant to Act 281. The City Council hereby expressly approves the Agreement attached hereto as Appendix B, with such changes as may be required by Houghton, so long as those changes do not adversely affect the rights and privileges of the City under the Agreement. The City Council hereby authorizes the Mayor and the Clerk, or either of them, to execute and deliver the Agreement and any certificates or other documents as may be required by Act 281 to carry out its obligations under the Agreement.
- f. Fiscal Year: Adoption of Budget.
- (a) The fiscal year of the Authority shall begin on July 1st of each year and end on June 30 of the following year.
 - (b) The Board shall prepare a budget annually and shall submit it pursuant to the Agreement of the parties for approval in the manner, at the time, at which such budget shall contain the information, and be prepared in the manner set forth in the Agreement. The Board shall not finally adopt a budget for any fiscal year until the budget has been approved by the City Councils of Houghton and Hancock. The Board may, however, temporarily adopt a budget in connection with the operation of any improvements which have been financed by revenue bonds where required to do so by the resolution authorizing the revenue bonds.
 - (c) The Authority shall submit financial reports to Houghton and Hancock pursuant to the Agreement of the parties. The Authority shall be audited annually by an independent auditor as designated in the Agreement of the parties.
- g. Termination. Upon completion of its purposes, the Authority may be dissolved pursuant to Agreement of the parties.
- h. Repealer. All resolutions and parts of resolutions in conflict herewith are hereby repealed.

- i. Publication, Recording and Filing. This resolution shall be published once after adoption in full in *The Daily Mining Gazette*, a newspaper of general circulation in the County, and the City Clerk shall file a certified copy of the resolution with the Michigan Secretary of State promptly after its adoption.
- j. Effective Date. This resolution shall take effect immediately upon its publication.

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Houghton, County of Houghton, State of Michigan at a Regular meeting held on April 25, 2001, and that said meeting was conducted in full and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

I further certify that the following Members were present at said meeting: Merz, Blumhardt, Love, Lowney, Backon, Peterson, Chappell at that the following Members were absent None.

I further certify that Member Blumhardt moved adoption of said resolution and that Member Love supported said motion.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

I further certify that the following Members voted for adoption of said resolution
Blumhardt, Love, Peterson, Backon, Merz, Lowney, Chappell, that
such Members constitute a majority of the Members elected to and serving on City Council, and
that the following Members voted against adoption of said resolution
None

Kurt Kuure
Kurt Kuure, City Clerk

I hereby certify that the foregoing resolution received legal publication in *The Daily Mining Gazette* on May 2, 2001, and that a certified copy of the foregoing resolution was filed with the Michigan Secretary of State on May 2, 2001.

Kurt Kuure
Kurt Kuure, City Clerk

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

APPENDIX A

District subject to the jurisdiction of the
Local Development Finance Authority of the Cities of Houghton and Hancock
County of Houghton

Entire Corporate Boundaries of the Cities of Houghton and Hancock