

## RENAISSANCE ZONE DEVELOPMENT AGREEMENT

This Development Agreement (the "Agreement") is between the Michigan Strategic Fund ("MSF"), a public body corporate and politic and Motown Motion Pictures, LLC (the "Company"), a Michigan limited liability company. Collectively, the MSF and the Company are referred to in this Agreement as the "Parties."

- A) Under Section 8a(2) of the Michigan Renaissance Zone Act (the "Act"), 1996 PA 376, as amended, the MSF Board may designate a limited number of renaissance zones if the affected city, township or village consents to the creation of a renaissance zone within its jurisdiction;
- B) The City of Pontiac applied to the MSF for a renaissance zone designation (the "Application") for a site owned by the Company requested in the Application; and
- C) At its May 20, 2009 meeting, the MSF Board approved the renaissance zone designation, effective the date the Company acquires ownership of the property parcel number 64-19-03-201-002 provided that acquisition occurs on or before September 21, 2009, described in the Application (the "Zone"), subject to, among other things, the execution of a development agreement between the MSF and the Company.

In consideration of the MSF's approval of the Renaissance Zone designation for the Property and the mutual covenants in this Agreement, the Parties agree as follows:

- 1) **Size and Location of Property.** The Company represents that the Zone consists of 22.057 acres, as more particularly described on Exhibit A to this Agreement (the "Property").
- 2) **Duration of Designation.** The City of Pontiac consented to, and the MSF Board approved, the Zone designation for the Property for a 15 year period. The designation begins January 1, 2010, and ends December 31, 2024, for Michigan Business Tax ("MBT") and income tax purposes. For property tax calculation purposes, the designation begins on December 31, 2009 and ends December 31, 2024. Together, these time periods are the "Term."
- 3) **Conditions of Designation.** As a condition of obtaining the Zone designation for the Property, the Company shall:
  - a) ***Project:*** construct the project described in the Application (the "Project") and complete the investment and job creation at the Property described in this Agreement;
  - b) ***Capital Investment:*** expected to invest a total of \$40,000,000, with the possibility of reaching \$70,000,000 for building renovations and improvements to the Property by December 31, 2018;
  - c) ***Job Creation:*** create up to 3,000 new Full-Time Jobs at the Property by December 31, 2010 and up to an additional 600 new Full-Time Jobs at the Property by December 31, 2014. Under this Agreement, a "Full-Time Job" is a job that pays at least 150% of the federal minimum wage as is in effect from time to time during the Term for 2080 hours (52 weeks x 40 hours = 2080) of work, seasonal or otherwise, and includes any person who works in a salaried position. For example, 25,000 hours of seasonal work is equal to twelve Full-Time Jobs; and
  - d) ***Other:***
    - i. maintain the Property in good condition, including, but not limited to, buildings, equipment, landscaping, yards, fencing, parking lots and all fixtures; and

- ii. comply with all federal, state and local laws, including, but not limited to, all applicable environmental, zoning and land use laws.
  - iii. By September 21, 2010, the Company shall have commenced the project outlined in the City of Pontiac's application for a MSF Designated Renaissance Zone.
  - iv. On or before September 21, 2009, the Company shall acquire ownership of the property parcel number 64-19-03-201-002.
- 4) **Reports.** The Company shall provide a written report to the MSF by January 31, 2010, and annually each January 31 thereafter through 2025 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, in the Property;
  - c) the number of individuals employed at the Property 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 Property;
  - e) the status of the Company's business operations;
  - f) the most recent State Equalized Value (SEV) and taxable value of the Property and personal property located at the Property, including personal property located at the Property that existed prior to the Effective Date; and
  - g) any other information reasonably requested by the MSF regarding the Property.
- 5) **Zone Benefits.** During the Term, the Company shall receive the exemptions, deductions, credits and other benefits of the Zone designation described in the Act (the "Credits"). The Company acknowledges that the benefits provided under MCL 125.2689 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.
- 6) **Event of Default.** Under this Agreement, the following constitute an "Event of Default": (i) the Company's failure to begin the capital investment or job creation described in this Agreement by September 21, 2010; or (ii) the Company's failure to comply with any terms or conditions of this Agreement, as determined in the MSF's reasonable discretion. Upon the occurrence of an Event of Default, the MSF may revoke the Zone designation and/or require the Company to pay the state and local taxing authorities an amount up to the value of Credits received by the Company as of the date of the notice provided under Section 7 of this Agreement. Notwithstanding the foregoing, if the film credits, provided under MCL 208.1455, are capped, reduced or eliminated, the Renaissance Zone designation may not be revoked, and there shall be no repayment for any Credits previously received by the Company, provided that (a) the Company has invested at least \$10,000,000 on or before the later of (i) the date of capping, reduction, or elimination, or (ii) December 31, 2014, and (b) if the Company will use the property for a project not described in the Application, such other use is subject to approval by the MSF Board, which approval shall not be unreasonably withheld or delayed.
- 7) **Notice of Noncompliance.** Prior to taking any action under Section 6 of this Agreement, the MSF shall provide written notice to the Company upon finding that the Company failed to comply with any provisions of this Agreement. The Company shall have 90 days from its receipt of such notice to cure the compliance to the MSF's reasonable satisfaction.

- 8) **No Limitations of Remedies.** Except for the limitations in Section 6 of this Agreement, nothing in this Agreement shall be construed as a limitation of the remedies available to the MSF 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:

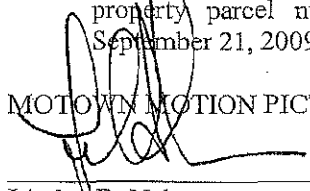
*To Company:*  
Linden D. Nelson  
CEO  
Motown Motion Pictures, LLC  
c/o Nelson Ventures  
2100 East Maple Road, Suite 200  
Birmingham, Michigan 48009

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

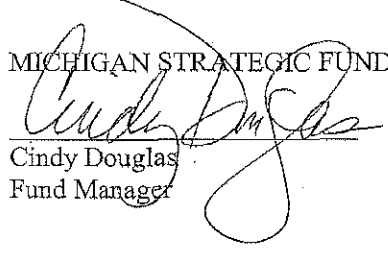
The Parties may change their designated contact by providing notice as described in this Section.

- 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 Michigan Court of Claims or, as appropriate, Ingham County Circuit Court in Ingham County, Michigan.
- 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 effect 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 be 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 date the Company acquires ownership of the property parcel number 64-19-03-201-002 provided that acquisition occurs on or before September 21, 2009 (the "Effective Date").

MOTOWN MOTION PICTURES, LLC

  
Linden D. Nelson  
CEO

MICHIGAN STRATEGIC FUND

  
Cindy Douglas  
Fund Manager

**EXHIBIT A**  
**PROPERTY DESCRIPTION**

As approved by the MSF Board Resolution, dated May 20, 2009, the Zone shall be comprised of the following property parcels:

64-19-03-201-002