Alternative Energy Technology Support Network

Partner's Resource Guide

This document is an effort of NextEnergy's Statewide Alternative Energy Technology Support Network Project funded in part through a grant from the Michigan Strategic Economic Investment & Commercialization Board administered by the Michigan Economic Development Corporation (MEDC).

Revised March2008

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INTRODUCTION

Since its inception in 2002, NextEnergy, with the support and assistance of the state of Michigan, the federal government and its network of industry and economic development partners, has built a solid foundation for the development and expansion of Michigan's Alternative Energy Technology (AET) industry. In February 2007, NextEnergy, with funding received through Michigan's 21st Century Job Fund, began the formation of a Statewide AET Support Network designed to connect the needs of technology developers, pre-commercial project developers, and existing companies with the resources and support of universities, business accelerators, and economic development agencies across the entire State of Michigan – all with the intention to do the following:

- Add more AET businesses in Michigan (start ups, attractions, retention, and transitions)
- Create more jobs
- Add to the number of AET patents, licensing agreements, and products commercialized
- Expand the existing manufacturing capacity to include AET efforts

Bringing together and leveraging the combined technical, academic, and business resources of our State around this one area has positioned the State of Michigan to fully cultivate the development and commercialization of alternative energy solutions that will not only benefit the State but the nation and world.

It is in support of this effort NextEnergy has compiled this resource guide to strengthen the Statewide AET Support Network's partners' capacity to provide quality AET related assistance to all those they serve.

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Or go to

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FUNDING RESOURCES

21CJF GENERAL DESCRIPTION

There is $286.04 Million available for Equity, Lending, VC, and commercialization with $200.228 Million to the commercialization, research and development program.

- Ensures that at least $90 Million goes toward the life sciences sector.
- Commits $75 Million per year from 2008 through 2015 to continue the 21st Century Jobs Fund initiative.
- No more than 10% of proceeds can be spent on basic research to ensure that money is targeted at commercialization opportunities.
- Has created the Strategic Economic Investment and Commercialization Board (SEIC) as an independent body within the Michigan Strategic Fund to handle the awarding of grants and loans for the commercialization of competitive-edge technologies.

The Commercialization Board shall authorize the expenditure of not less than the following amounts for competitive-edge technology grants and loans:

- $50 Million in FY06/07
- $30 Million in FY07/08 thru FY11/12

21CJF PROPOSAL PREFERENCES

- There is a preference for proposals that can contribute to the development of economic diversification or the creation of employment opportunities in Michigan.

- Research and commercialization funding will be awarded only after a peer review process, involving experts in competitive-edge technology with equal weighting given to scientific and technical merit, personnel expertise, commercial merit, and the ability to leverage additional funding.

- There is a preference for proposals that meet one or more of the following:
  - ⇒ Forecast revenues within 2 years
  - ⇒ Have outside investments from investors with experience and management teams with experience in the industry targeted by the proposal
  - ⇒ Have outside directors with expertise in the industry targeted by the proposal

- Applicants must leverage other resources as a condition of the grant or loan.

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- Allows for SBIR or STTR grants or loans to match up to 25% of federal funds and must leverage third party commercialization funding at both Phase I and Phase II levels.

- Preference for collaborations between institutions of higher education, nonprofit research institutions, and non/for-profit corporations.

- A provision allowing the award of grants to institutions of higher education to serve as match to promote or secure the award and receipt of competitively awarded federal research grants related to competitive-edge technologies (not to exceed 10% of the federal award).

- Encourage the redevelopment of existing scientific wet lab space for the commercialization of life science technology.

- An annual financial audit and a program audit every three years performed by the Auditor General.

- The establishment of a Chief Compliance Officer reporting to the MSF Board.

LINK: https://medc.constellagroup.com/faq.cfm (Frequently Asked Questions)

21CJF GRANT versus LOAN ELIGIBILITY

Q1. Who is eligible for a grant versus a loan, convertible loan or equity award?

*A1***.** Applications from Michigan institutions of higher education, Michigan non-profit research institutions and Michigan non-profit corporations can be considered for grant awards. However, **projects that have a clear for-profit focus will be structured as loans, convertible loans or other investment instruments. For-profit organizations are not eligible to receive grant awards**. Awards to for-profit organizations will typically be distributed in the form of a convertible loan, however, in some instances a direct loan or other investment instrument will be considered. The type of instrument will be determined during negotiations between the MEDC and the applicant. For-profit applicants who advance to the interview round will be sent copies of contract template agreements that explain general terms for debt and convertible debt instruments.

LINK: https://medc.constellagroup.com/rfp.cfm (RFP List)

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NEXTENERGY TAX CREDIT

Michigan NextEnergy Tax Credit

Alternative Energy companies in Michigan may be eligible for tax breaks including a Small Business Tax (SBT) credit and personal property tax abatement. To be eligible, a company must first be certified as "Alternative Energy".

See criteria and tax abatement information at:

LINK: <INSERT #6 >

CHARTER ONE JOB CREATION LOAN PROGRAM

This new lending program is a partnership between the State of Michigan and Charter One Bank to help grow Michigan's economy by helping businesses access affordable financing. Up to $200 million is available for Michigan businesses to invest in equipment, machinery, building acquisition or remodeling. The Charter One Job Creation Loan Program can help you put your business plans into action.

Commitment
$200 Million with loan draws to occur within 24 months of program rollout.

Criteria
Minimum of one full-time job every $50,000 borrowed must be created within three years of the completion of the project.

Eligibility
- Public or privately-held businesses in a broad array of industry sectors, including manufacturing, distribution centers, emerging sectors, and the 21st Century Jobs Fund competitive-edge technologies (life sciences, alternative energy, homeland security/defense, and advanced automotive, manufacturing and materials).
- Companies either currently doing business in, or contemplating a significant investment in Michigan.

Loan Amounts
- Minimum $500,000; Maximum $10 Million
- Loans may not exceed 75% of project cost
- Building acquisition/remodeling loans limited to 75% of appraised value.

For more information contact Susan Leithauser, Vice President, Charter One, susan.leithauser@charteronebank.com

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LINK:http://www.michigan.org/medc/services/financial/combo.asp?ContentId=276EFF6C-3B62-4F91-9402-23B3AA3D35C6&QueueId=1&ContentTypeId=10002&ContentName=Charter_One_Job_Creation_Bank

MICHIGAN INCENTIVES

Renewable Energy Renaissance Zones

To assist in the development of a strong renewable energy industry in Michigan, Renewable Energy Renaissance Zones (RERZ) were created to promote renewable energy operations in the state and to enhance the industry. These RERZs differ from Michigan's original renaissance zones because they require them to contain a company's renewable energy facility and can be located anywhere in Michigan.

Definition: "Renewable Energy Facility" means a system that creates energy from a process using residues from agricultural products, forest products, paper products industries, and food production and processing; trees and grasses grown specifically to be used as energy crops; and gaseous fuels produced from solid biomass, animal wastes, or landfills.

The application process begins with community or company officials meeting with a Michigan Economic Development Corporation (MEDC) account manager to discuss a project in detail. RERZ applications are submitted by the county or distressed community (Section 11 of PA 346 of 1966) to the MEDC. The city, village or township in which a RERZ is proposed must approve a resolution for abatement of taxes. Applicants must demonstrate the positive economic impact the project will have on the local unit of government and on the state.

Taxes that facilities located in a renaissance zone do not pay are Single Business Tax (SBT), state education tax, personal and real property taxes, and local income tax where applicable. Taxes still due are those mandated by the federal government, local bond obligations, school sinking fund or special assessments. Companies are not exempt from paying Michigan sales and use tax. Renewable energy facilities located in RERZs must be current with all state and local taxes in order to be eligible for benefits under the program.

The State of Michigan reimburses intermediate school districts, local school districts, community college districts and public libraries where taxes are abated. The State of Michigan does not replace the tax revenue lost to the local unit of government or other taxing jurisdictions except those listed in the preceding sentence.

The Michigan State Administrative Board, upon recommendation from the Michigan Strategic Fund Board (MSF), approves RERZ designations. Taxes can be abated up to

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15 years. In all cases, the tax relief will be phased out in 25% increments over the last three years of the zone designation.

For more information, contact the Michigan Economic Development Corporation Customer Assistance at 517.373.9808.

LINK:
http://www.michigan.org/medc/services/sitedevelopment/renzone/index.asp?WT.svl=Home_Feat_Links_4

Hybrid Electric Vehicle Research and Development Tax Credit
For tax years beginning on or after January 1, 2006, a taxpayer engaged in research and development of a qualified two-mode hybrid system, the primary purpose of which is the propulsion of a motor vehicle, may claim a tax credit equal to 3.9% of all wages, salaries, fees, bonuses, commissions, or other payments made in the taxable year on behalf of or for the benefit of employees for services performed in a qualified facility. The maximum amount of credit allowed for any one taxpayer is $3 million in a single tax year. This tax credit is repealed effective for tax years that begin after December 31, 2007. (Reference House Bill 4971, 2006, and Michigan Compiled Laws 208.32)

Reduced Biofuels Tax
A tax of $0.12 per gallon is imposed on gasoline containing at least 70% ethanol and diesel fuel containing at least 5% biodiesel (B5). Ethanol is defined as denatured fuel ethanol that is suitable for use in a spark-ignition engine when mixed with gasoline as long as the mixture meets the American Society for Testing and Materials (ASTM) D-5798 specifications. Biodiesel is defined as a fuel composed of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats and, in accordance with standards specified by the designated B100 fuel and meeting ASTM D-6571 specification, as approved by the Michigan Department of Agriculture. (Reference Senate Bill 1074, 2006, and Michigan Compiled Laws 207.1008)

Alternative Fuel Development Property Tax Exemption
A tax exemption may apply to industrial property which is used for, among other purposes, high-technology activities or the creation or synthesis of biodiesel fuel. High-technology activities include those related to advanced vehicle technologies such as electric, hybrid, or alternative fuel vehicles and their components. In order to qualify for the tax exemptions, an industrial facility must obtain an exemption certificate for the property from the State Tax Commission. (Reference Michigan Compiled Laws 207.552 and 207.803)
Alternative Fuel Vehicle (AFV) Emissions Inspection Exemption
Dedicated AFVs powered by compressed natural gas, propane, electricity, or any other source as defined by rule promulgated by the Michigan Department of Transportation are exempt from emissions inspection requirements. (Reference Michigan Compiled Laws 324.6311 and 324.6512)

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STATE LAWS & REGULATIONS

Alternative Fuel Refueling Station Grants

The Michigan Strategic Fund is directed to create and administer a refueling station matching grant program to provide incentives to owners and operators of service stations to convert existing, and install new, fuel delivery systems designed to provide E85 and biodiesel blends. Grants will not exceed 75% of the costs to convert existing refueling infrastructure, up to $3,000 per facility. Grants will not exceed 50% of the new construction costs to install new refueling infrastructure, up to $12,000 per facility for E85 and $4,000 per facility for biodiesel blends. Other funding limitations may apply. For the purpose of this grant program, biodiesel must meet American Society for Testing and Materials (ASTM) D-6751 specification and be approved by the Michigan Department of Agriculture. E85 is a fuel blend containing between 70% and 85% denatured ethanol that meets ASTM D-5798 specifications. (Reference House Bill 5754, 2006, and Michigan Compiled Laws 125.2078)

Renewable Fuels Commission

The Renewable Fuels Commission is established within the Michigan Department of Agriculture to investigate and recommend strategies that the governor and the legislature may implement to promote the use of alternative fuels and alternative fuel vehicles (AFV). The Commission will also identify mechanisms that promote alternative fuel research and effective communication and coordination of efforts between state and local governments, private industry, and institutes of higher education. The commission may also review any state regulation that may hinder the use, research, and development of alternative fuels and AFVs, and recommend changes to the governor. By July 2007, the Commission must submit a report on its investigation and recommendations to the legislature and the governor, with follow-up reports issued at least annually until January 1, 2010. (Reference House Bill 5181, 2006)

Biofuels Blender Requirements

Blenders of ethanol and gasoline and biodiesel and diesel fuels outside of the bulk transfer terminal system must obtain a blender's license and are subject to blender reporting requirements. A licensed supplier who blends ethanol and gasoline or biodiesel and diesel fuels is also required to obtain a blender's license. (Reference Senate Bill 1074, 2006, and Michigan Compiled Laws 207.1008)

Hydrogen Production and Retail Requirements

All hydrogen fuel produced and sold in the state must meet state quality requirements. Any retailer offering hydrogen fuel for sale in the state must register with, and obtain approval from, the Michigan Department of Agriculture (MDA). A hydrogen retailer must also obtain a license from the MDA for each retail outlet they operate. (Reference Senate Bill 1079, 2006, and Michigan Compiled Laws 290.642-290.647)

Biodiesel Retail and Storage Requirements

All biodiesel and biodiesel blends sold in the state must meet state quality requirements. A refiner, distributor, or retailer cannot transfer or dispense biodiesel or biodiesel blends unless the fuel is visibly free of undissolved water, sediments, and other suspended

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matter. Additionally, a biodiesel retailer is prohibited from selling biodiesel or biodiesel blends drawn from a storage tank that has more than two inches of water or water-alcohol at the bottom. Any retailer of biodiesel or biodiesel blends must obtain a license from the Michigan Department of Agriculture for each retail outlet they operate. (Reference Senate Bill 1079, 2006, and Michigan Compiled Laws 290.642-290.647)

Emission Credit Trading Registry

Michigan's Emission Trading Registry provides information regarding the generation, use, and trading of Emission Reduction Credits (ERCs) under the Michigan Air Emission Trading Program. This voluntary, statewide emissions trading program allows ERCs to be traded or retained for future use based on an emission reductions basis.

Michigan Incentives Key Contact

Teresa Walker
Senior Environmental Quality Analyst, Emissions Trading Programs
Michigan Department of Environmental Quality
Phone (517) 335-2247
Fax (517) 241-7499
walkertr@michigan.gov

LINK: http://www.deq.state.mi.us/maets

FEDERAL INCENTIVES FOR ALTERNATIVE ENERGY

Energy Efficient Commercial Buildings Property Deductions

Code Section 179 D (a) – "Special"

- Up to $1.80/sq.foot aggregate
- Associated with depreciable (or amortizable) property
- Interior lighting, HVAC, and hot water, building envelope
- Pursuant to plan to reduce by 50% or more compared to reference building (standard 90.1-2001)
- Fuel neutral

Modified Accelerated Cost Recovery System

Code Section 168 – "MARCS"

Energy Property – solar, wind, geothermal, etc. eligible for energy credit is classified as 5 year property.

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Homebuilders Credit for New Energy Efficient Homes

Code Section 38, 47, and 48

- Eligible contractor – person or manufacturer
- $2000 if 50% heating and cooling consumption below comparable dwelling unit and certified building envelope components account for 1/5 of improvement.
- $1000 if manufactured home and does not meet above criteria but conforms to Federal Manufactured Home Construction & Safety Standards and at least 30% reduction in consumption and meets requirements of Energy Star Labeled Homes Program.

Manufacturer's Credit for Energy Efficient Appliances

Code Section 38

- Eligible dishwashers, clothes washers, and refrigerators
- Generally $100 - $175 depending on appliance and energy savings percentage.
- Eligible production formula – subtract prior 3-year average.
- $75M cap

Energy Property Credit

Code Section 48

- 30% for qualified fuel cell property, solar equipment used to generate electricity, heat, cook or provide hot water or process heat and fiber optic equipment to distribute solar energy for interior illumination.
- 30% for qualified fuel cell property
- 20% for all other (geothermal and micro turbines)

Alternative Motor Vehicle Credits

Code Section 30 B

- Qualified fuel cell motor vehicles
- Advanced lean burn technology motor vehicles
- Qualified hybrid motor vehicles
- Qualified alternative fuel motor vehicles
- Sellers to tax exempt or government entities may qualify
- Various amounts depending on weight, fuel economy or fuel savings, emissions
- Step-down for hybrid production limits

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Small Ethanol and Small Agri-Biodiesel Producer Income Tax Credits

Code Section 40 and 40 A

- Extended to production capacity up to 60 M gallons
- Cooperatives qualify
- $0.10/gal up to 15M gpy of qualified production

Alternative Motor Vehicle Credits

Code Section 30 B

- Qualified fuel cell motor vehicles
- Advanced lean burn technology motor vehicles
- Qualified hybrid motor vehicles
- Qualified alternative fuel motor vehicles
- Sellers to tax exempt or government entities may qualify
- Various amounts depending on weight, fuel economy or fuel savings, emissions
- Step-down for hybrid production limits

Alcohol Fuel Credit

Code Section 40

- 190 Proof Alcohol as fuel or in qualified fuel mixture -- $0.51/gal
- 150-190 Proof Alcohol as fuel or in qualified fuel mixture -- $0.3778/gal

Biofuels Income tax and Excise Tax Credits and Payment

Code Section 40 A, 6426, and 6427

- Extended through 2008
- $0.50/gal biodiesel or biodiesel mixture ($1.00/gal for agri-biodiesel)
- $1.00/gal for renewable diesel

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Excise Tax Credit for Alternative Fuels and Fuel Mixtures

Code Section 6426, 6427

- $0.50/gal or gallon equivalents on retail sale or use excise tax
- LPG
- LNG
- Liquid H2
- Liquid fuel from coal
- Liquid fuel from biomass
- P Series fuels

Alternative Fueling Station Installation Credit

Code Section 30 C

- Replaces prior deduction
- Up to 30% with annual caps
- No buildings or structures
- Ethanol, natural gas, biodiesel mixture, hydrogen
- Sellers to tax exempt entities may qualify

Production Tax Credits

Code Section 45 (a)

- Electricity production from qualified energy resources (QERs)
- Wind, solar, geothermal, closed-loop biomass, open-loop biomass, small irrigation, municipal solid waste, and refined coal
- $0.02/KWh (wind, closed-loop biomass, geothermal, solar)
- $0.01/KWH (open-loop biomass, small irrigation, LFG, trash combustion, hydro)
- $5.877/ton (refined coal)
- 10 years for wind, closed-loop biomass and refined coal
- 5 years for all others

Federal Grants

- Dept of Energy, Dept of Defense, USDA (www.grants.gov)
- Rural Development Renewable Energy Grants (www.rurdev.usda.gov)
- Up to 25% of project cost -- $2500 to $250,000
- 2007 deadline is May 18, 2007

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<INSERT #5 & #1 HERE>

MICHIGAN UNIVERSITIES COMMERCIALIZATION INITIATIVE (MUCI)

It is the goal of the MUCI Challenge Fund program to encourage the deployment of university technologies into the business sector in a timely manner. The Challenge Fund provides pre-seed investment stage money to help investigators and institutions test and validate the market need for and interest in the technology and to help move market driven projects through the steps generally required to obtain the financing or business partners needed to achieve successful commercialization, licensing or creation of start-ups.

Challenge Fund awards are intended to assist innovative technology projects that have demonstrated promise for commercialization but have not yet obtained funding and/or partners to proceed with commercial translation and have not yet been licensed from the university by another entity.

Advanced Automotive & Engineering, Alternative Energy, and Homeland Security RFP Deadlines:

- February 19, 2007
- July 2007
- February 2008
- July 2008

If you have any questions about MUCI, please contact the MUCI Business Manager at MUCIadministrator@umich.edu

LINK: https://medc.constellagroup.com/pdf/appb.pdf (AET definitions)

FRANKEL COMMERCIALIZATION FUND (non AET PRE-SEED)

The Frankel Commercialization Fund (FCF) is a “pre-seed” investment fund made possible thanks to the support of Stanley Frankel, whose overarching vision is to leverage the Stephen M. Ross School of Business talent and resources to help increase the number of successful commercial ventures coming out of the University of Michigan.

The goals of the FCF are to:

- Accelerate the commercialization of research and ideas generated within the University community.
- Create a financially self-sustainable process of research commercialization, by which successful past investments will provide the funds needed to make new ones.

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- Provide a stimulating, hands-on educational experience for students, thus reinforcing the Ross School of Business' commitment to action-based learning.
- Build excitement within the University community about the prospects of research commercialization.

The Fund is made up of Ross MBA students ("Frankel Fellows") selected because of their domain knowledge of the health care or technology industries and their experience and interest in early-stage company formation.

The Frankel Fellows are divided into two teams:

1. One specializing in health care investments
2. One specializing in technology investments.

Each of the teams will invest up to $100,000 under the guidance and mentorship of Tom Porter, the fund's managing director and executive-in-residence at the Zell Lurie Institute for Entrepreneurial Studies at the Ross School, and an advisory board, consisting of experienced executives in health care and information technologies and early-stage company formation and investing. Advisors serve as a board of directors for each Frankel Fund team.

Criteria/Process

In order to be considered by the fund, projects will need to meet the fund's criteria for investment. Most importantly, projects must:

- Address an unmet need within the marketplace, or provide at least an order of magnitude performance improvement compared to existing solutions.
- **Sport products or technology that are advanced, proprietary (depending on the market served), scalable, and that benefit from a sustainable competitive advantage.**
- Be driven by a team that is committed and able to carry them to fruition.
- Have a U-M connection and benefit the University, if successful. To satisfy this requirement, the team should include at least one U-M student, staff member, faculty or alum, or make use of technology developed within the University. Technology or products owned by the University need to be disclosed to the University's Technology Transfer Office prior to submitting an application.

Applications

Interested companies/projects will need to submit a short application. Applications must be submitted by March 15, 2006, to be considered for investment by May 2006 and by Oct. 15, 2006, to be considered by the end of 2006. Please send questions to ffquestions@umich.edu and completed applications to frankelproposal@umich.edu. The Frankel Fund investment teams will review and respond to submissions within two weeks of receipt. The final investment decision for Winter Term will be made by April 15, 2006.

Benefits of the Fund for University Inventors

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Frankel Fund teams will apply their skills and wealth of experience to analyzing the commercialization potential of each project. They will then share their research and conclusions with inventors who have high-potential ideas to assist them in the development of their plan for commercialization. Finalists (one per sector) will, in addition to being considered for an investment, get the benefit of the Frankel Fund team's recommendation on the optimal path to commercialization and have the opportunity to present their business plan to the FCF team and the advisory board, which includes a number of successful angel investors and venture capitalists.

Please send questions to ffquestions@umich.edu and completed applications to frankelproposal@umich.edu.

MICHIGAN PRE-SEED CAPITAL FUND

The Michigan Pre-Seed Capital Fund supports high-tech start-up companies as they near commercial viability by providing access to early-stage capital to accelerate company development. Supported by a consortium of Michigan SmartZones and administered by Ann Arbor Spark and Automation Alley, these funds will extend the personal investment of entrepreneurs during the critical stage when they are developing their businesses to the point of readiness for outside investment.

The fund targets companies throughout the state that are creating the newest technologies in the following competitive areas:

- Advanced automotive, manufacturing, and materials
- Alternative energy
- Homeland security and defense
- Life sciences

To begin the application process, follow the following steps:

1. Start with the checklist of things you will need to answer in preparation for funding.
2. Contact a SmartZone to review and help prepare your company for funding.
3. Decide with your SmartZone the milestones you need to achieve with new funding that they will be able to help you with.
4. Secure the match of new cash you need for Pre-Seed Fund acceptance.
5. After completing the due diligence, the SmartZone will give you access to the application form.

Additional application information

Eligible companies will need to be past the concept development and analysis phase, and have specific milestones identified for achieving commercialization suitable to a matching investing partner of the Pre-Seed Fund.

These needs might include hiring key management executives or specialized consultants, regulatory review, contract manufacturing agreements, marketing strategies

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and sales plans, etc. At this stage, the Pre-Seed Fund will be able to fund $50,000 to $250,000 per company alongside their investment partner who will provide a minimum dollar for dollar match.

The goal of the Pre-Seed Fund is to position these companies for follow-on investment. The concept of identifying early, matching investment partners with each company provides the company with a level of professional direction they would otherwise not have at this stage. These professional investors will also know how to garner the attention of the Venture Capital community at the appropriate time and facilitate the next level of investment for a win-win situation.

LINK: http://www.annarborspark.org/business-resources/business-growth-expansion/pre-seed-fund/pre-seed-faqs/

For more information contact: Skip Simms at 734-646-3173 or email skip@annarborspark.org

AUTOMATION ALLEY FUND

In addition to the Michigan Pre-Seed Capital Fund, Automation Alley's Technology Center also connects clients to vital capital for commercializing new technologies. Opportunities range from pre-seed funding for development and prototyping to post-development funding. The Automation Alley Technology Center also helps commercialization clients connect with angel investors, venture capitalists and bankers.

Through its partnerships with organizations such as the National Automotive Center (NAC) and the Michigan Economic Development Corporation (MEDC), the Center facilitates funding for specific technology areas. The NAC provides access to funding for military/dual-use technologies through programs such as Small Business Innovation Research (SBIR) and access to advanced R&D capabilities through an umbrella Cooperative Research and Development Agreement (CRADA). MEDC funds target the development of advanced automotive technologies.

In addition, the Automation Alley's Technology Center's strong working relationships with colleges and universities enable it to connect clients to research, faculty, labs, specialized equipment and other resources to help lower development costs.

LINK: www.automationalley.com

For more information contact Tom Anderson at 248-457-3302 or email andersont@automationalley.com

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NEXTENERGY & NTH POWER FUND

NextEnergy has partnered with Nth power (a California VC firm) to review Michigan alternative energy deals. NextEnergy will identify and cultivate alternative energy venture capital investment opportunities in Michigan for Nth Power, a San Francisco, Calif.-based Nth Power LLC, and an emerging technology investment firm. The agreement calls for close collaboration between Nth Power and NextEnergy in transitioning alternative energy development companies from start-ups to viable business enterprises.

Whether it is a push for lower emissions from power plants, improved refinery processes for cleaner transportation fuels, lower cost solar panels, advanced batteries for vehicles and wireless devices, or nanotechnologies and new materials for a host of energy innovations, no industries can ignore this shift.
Venture capital investments in the energy sector center on the energy interface -- the technologies and applications that affect the way the demand and supply for energy are adjusting to rapidly changing market conditions. Venture capital is affecting innovations in technologies that enable the largest industrial facilities to manage their energy use and the commercialization of micro-scale energy sources that power consumer electronic devices and military field equipment.
In response to myriad opportunities, entrepreneurs are developing a new wave of businesses and enabling technologies to solve the most important challenges confronting the broad application of energy in our society.

Nth Power believes a classic venture capital environment exists in the energy sector. Experienced management teams are developing disruptive technologies aimed at underserved markets where value can be created in relatively short timeframes and where exits to public markets or acquirers are available and proven.

It is this dynamic that creates venture capital investment opportunities and where Nth Power's experience in the energy technology sector is an important factor for success.

LINK: www.nthpower.com

For more information contact Dan Radomski at 313-833-0100 or email danr@nextenergy.org

MICHIGAN FUND OF FUNDS INITIATIVE

Recognizing that the availability of capital is critical to the growth and well-being of Michigan's businesses and strengthening of the economy, the State of Michigan has developed two investment fund-of-funds capitalized at over $300 million to promote

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access to a continuum of capital. The Venture Michigan Fund and the 21st Century Investment Fund target competitive edge technology sectors as a way to promote job growth and diversify the State's economy. The funds have a single manager, Credit Suisse, and are designed to complement each other and enhance the capital environment in Michigan for companies across the entire spectrum of the capital lifecycle.

VENTURE MICHIGAN FUND

The Venture Michigan Fund was created to increase the availability of capital for seed and early stage companies. It is prepared to be a major force for strengthening the State's capital markets, promoting economic growth and diversification, and creating and retaining jobs. The fund will invest solely in venture capital firms which target seed and early stage investments with emphasis given to a firm's likelihood of providing above-average returns, its presence in and history of investments in Michigan, and its consideration of minority owned businesses in its investment activities. The Venture Michigan Fund anticipates investing $95 million in qualified firms.

More Information about Venture Michigan Fund (VMF)

A $95 million venture capital fund investment program was formed under the Michigan Early Stage Venture Investment Act of 2003 (or the "Act of 2003"). VMF seeks to promote Michigan's economic health by assisting in the creation of new jobs, new businesses and new industries in Michigan through the creation of a fund-of-funds that would invest in private equity managers that invest primarily in Michigan-based early stage venture capital companies. As per the Act of 2003, the capital for the program has not be provided by the State but raised from outside investors. To encourage investment in VMF, the Michigan Department of Treasury agreed to provide investors with up to $200 million of tax voucher certificates that could be used as a form of "currency" to offset any shortfall in debt servicing by fulfilling an equivalent amount of Single Business Tax and/or withholding tax obligations of the investors. CFIG was chosen as manager for the program through an RFP process and was engaged in January 2006.

The investment goals state the mission of the Venture Michigan Fund and its investment program. They articulate the philosophy and process for the management of assets. The program shall be managed to accomplish the following:

A. Enable qualified Michigan businesses to access capital in seed and early growth stages.
B. Invest in venture capital funds with a significant presence and experience in Michigan.
C. Generate venture level returns to ensure the fund sustainability and growth within the Fund's portfolio.

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D. The program shall at all times comply with Act 162, Public Acts of 1982, as amended and Act 296, Public Acts of 2003.

The Program seeks to:

- Achieve a superior internal rate of return on venture capital investments while contributing to the economic development of the State of Michigan;
- Enhance and diversify the economic base of Michigan by fostering the creation and growth of new jobs, new businesses, and new industries within the State, and through investment in certain businesses that focus on areas including, but not limited to, alternative energy technology, high-technology, and healthcare;
- Promote the retention of businesses and jobs through investments in Michigan-based businesses;
- Encourage the development and growth of a vibrant Michigan-based venture capital community;
- Help to facilitate the transfer of technologies from the State's various universities and research institutions to the private sector;
- Help to attract investments from both regional and national venture capital funds; and
- Help to facilitate public and private partnerships within the State.

21st CENTURY INVESTMENT FUND

The 21st Century Investment Fund is prepared to invest up to $109 million in qualified private equity, venture capital, and mezzanine firms. A portion of those investments may also be placed directly in companies in which a qualified firm has made or is making an investment. The 21st Century Investment Fund will seek a superior rate of return and require that firms in which investments are made maintain an office in Michigan as well as make investments in the State that are equal to or greater than the amount invested in those firms. In addition to rates of return, the fund's goals target job creation and diversification of the State's economy.

<u>The Opportunity</u>

The Venture Michigan Fund and the 21st Century Investment Fund are currently accepting proposals from qualified firms and anticipate that the first investments will be made by the end of 2006 and will continue over the next three years.

LINKS: For further information, please see the following:

- http://www.venturemichigan.com/ OR http://www.michigan.org/21stCentury/

For more information contact Terry Stanton, 517-335-2167 or email info@venturemichiganfund.org

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GREAT LAKES ANGELS

The Mission of the Great Lakes Angels organization is to organize and mentor angels and provide a forum for them to grow in knowledge and wealth and foster more of the same - to help invest in entrepreneurial companies in the region. It will have numerous 'deals' presented, high-level content and quality speakers and panelists on key issues of angel investing. Current 'Angels' and high net worth 'potential Angels' can meet in a confidential and educational environment to discover opportunities for mutual areas of investment. Experts can be identified and shared to assist in due diligence on technologies outside the individual's own comfort zone and help transition investors into new exciting technologies for growth of companies in the Region and greater personal reward.

The Great Lakes Angels is a nonprofit 501.c.6 corporation. We seek serious, active investors only. Attendance is therefore open to those who would intend to make a minimum of a $25,000 investment in one or more companies presented by the Great Lakes Angels in each calendar year. One must be an Accredited Investor or approved as 'designated screener' for an Accredited Investor, by the Membership Committee, to be a Member. Our investors consider early stage company equity investments, and later stage company debt, bridge and mezzanine investments. A Screening Committee screens Business Plans and companies for potential investment and for presenting to the group. Annual dues of $1,000 and attendance fees are assessed to help defray the operational costs of the organization.

The GLA will not be providing investment advice, recommendations or guidance. Members who have interest in pursuing investment opportunities with presenting companies will explore these individually with the company after a general dinner presentation. GLA Members will make their own decisions free of any reliance on the GLA, its sponsors or its members.

LINK: www.glangels.org

For more information contact David Weaver, President at dweaver@glangels.com

CLEANTECH VENTURE NETWORK

The CleanTech Venture Network provides a means for companies to post executive summary on the Cleantech.com web site. Not only does it put your summary in their searchable database for qualified investors, but once uploaded, an email is sent out to the investors interested in your sector of clean technology with a company summary and a link to your executive summary. This gives companies immediate access to CleanTech venture investor members. From the CleanTech home page, click on "Company Services" and scroll to "Executive Summary Submissions". Any company registering should be investment ready (developed prototype, proof of concept, beta

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testing, looking to secure a minimum of $1 Million). No proprietary information should be included because investors may be funding competitive organizations.

LINK: www.cleantech.com or for more information contact
Cleantech Network™ Tel: 810-224-4310

LANSING VC FUND

Lansing VC Fund is a growing $6 Million fund making investments in the range of $100,000 per company in early stage development. Their priority is to invest in original technology with plans for company/job creation in Lansing Tri-County region (Ingham, Eaton, and Clinton counties). NextEnergy and NorthCoast Ventures are providing due diligence of advanced energy deals.

For more information contact brandi@lansingbusinessmonthly.com or johnchrisholman@yahoo.com

LANSING ANGEL GROUP

The Lansing Angel Group is made up of 14 investors looking to invest in deals between $25,000 to $250,000 per company. Priority is to invest in Lansing Tri-County region. NextEnergy is providing due diligence of advanced energy deals.

For more information contact Loic Courard at lcouraud@sbcgobal.net.

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SBIR/STTR EMERGING BUSINESS FUND

Matching FUNDS for Federal Phase I SBIR/STTR awards are no longer available.

The funds allocated for the Small Business Innovative Resources (SBIR)/ Small Business Technology Transfer (STTR) Emerging Business Funds have been exhausted. Letters of Support issued at the time of proposal submission stated that matching grants were subject to the availability of funds, thus, grants for Federal Phase I SBIR/STTR awards are unfortunately, no longer available.

Future programs are in design and development stages and, pending available funding, updates and program details will be posted here. Applicants winning Federal awards during the Emerging Business Fund Program, for which a Letter of Support may already have been issued, will not automatically receive a matching grant under a new program. New applications and requirements will be implemented.

Please revisit the website for future updates.

LINKS…

SBIR/STTR Websites:

- www.sba.gov/SBIR/
- www.SBIRworld.com

SBIR/STTR Resources in Michigan:

- www.misbtdc.org
- www.bioconsultants.com
- www.sbam.org
- www.acq.osd.mil/osbp/sbir/ (Dept of Defense)

BIOTECHNICAL BUSINESS CONSULTANTS GRANT TRAINING

BBC offers specialized grant training and assistance with federal SBIR/STTR grants for technology entrepreneurs and early state technology companies in Michigan. Through a combination of seminars, training sessions, one-on-one meetings and intensive consulting assistance, BBC helps small businesses understand their eligibility, what grants are available, and how to prepare, write and submit appropriate proposals for funding to advance the development and commercialization of their technologies.

SBIR 101 ($50) and is a ½ day class covering: who is eligible, who has funds, fee can be waived if necessary – plan to offer 1 class/month

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$125 class is 1.5 day proposal development workshop – plan is to offer 6 workshops per year predicated on demand. After the completion of this class, 1-on-1 mentoring is available based on individual interest.

There is a NIH focus and a non-NIH (Dept of Defense, National Science Foundation, etc.) focus class

LINK: www.bioconsultants.com
For more information contact Andy Jakimcius at andy@bioconsultants.com

MICHIGAN TAX INCENTIVES

Industrial Property Tax Abatement (Industrial Facilities Tax P.A. 198 of 1974)

Property tax incentives are available to eligible businesses to renovate or expand aging manufacturing plants or to build new facilities. This incentive can reduce property taxes (real and personal) for up to 12 years. An obsolete plant or machinery that is replaced or restored results in a 100% exemption from the property tax on the value of the improvement. The Industrial Facilities Tax (IFT) on a new plant and/or machinery and equipment is computed at half the local property tax millage rate, plus the 6-mill statewide education tax. This amounts to a reduction in property taxes of approximately 50%. For more information go to:

LINK: http://www.michigan.org/medc/services/general/cat/guide/index.asp

MEGA Manufacturing, R&D, Wholesale Trade and Office Operations Job Creation Credits

Companies eligible for a refundable job creation tax credit against the Michigan Single Business Tax are those engaged in manufacturing, R&D, wholesale trade, or office operations that are financially sound, devote at least 25% of operating expenses to research and development and have solid proposals. Retail facilities are not eligible. Each credit may be awarded for up to 20 years and up to 100% of the amount of the project. See the following link for more details regarding eligibility and duration of credits.

LINK:
http://www.michigan.org/medc/services/financial/combo.asp?ContentId=85376A88-2715-4D48-89A5-AD81A39B717E&QueueId=1&ContentTypeId=10002

High Mega Job Creation Tax Credits

Eligible companies are those businesses that are primarily engaged in a "hi-technology activity" (i.e. electronics, communications, medical science and other high technology) or that devote at least 25% of total operating expenses to research and development.

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Retail facilities are not eligible. Each credit may be awarded for up to 20 years and up to 100% of the amount of the project. Incentives include an SBT credit and a refundable credit equal to the personal income tax attributable to new jobs created. For more information regarding eligibility requirements and duration of credits call (517) 373-9808 or go to:

LINK:
http://www.michigan.org/medc/common/book/topic.asp?BookId=1&BookName=Data+Book&ChapName=Business+Incentives&ChapId=22&TopicId=64&TopicContent={66B46752-A375-427E-A25E-784A2A437767}&From=BI

Tool and Die Recovery Zone Abatement

As part of the Michigan Renaissance Zone, the Michigan Strategic Fund (MSF) Board is allowed to designate up to 25 Tool and Die Renaissance Recovery Zones (Recovery Zones). The designation of a Recovery Zone is within the discretion of the MSF Board, pursuant to MCL 125.2688d. The taxes that companies in Recovery Zones DO NOT pay are: Single Business Tax, 6-mill state education tax, local personal property tax, local real property tax and local income tax. For more information and to see if your company is eligible to apply, please go to:

LINK:
http://www.michigan.org/medc/services/sitedevelopment/renzone/toolanddierecovery/index.asp

Michigan NextEnergy Tax Credit

Alternative Energy companies in Michigan may be eligible for tax breaks including an SBT credit and personal property tax abatement. To be eligible, a company must first be certified as "Alternative Energy". See criteria and tax abatement information at:

LINK: <INSERT #6 NEW LINK>

15% SBT Credit for Industrial Personal Property Tax & New Apportionment Factors

New legislation allows Michigan companies to claim a refundable 15% SBT credit for property taxes paid on industrial personal property for a 4-year period, 2006-2009. The credit addresses the property tax associated with the General Property Tax Act, the Industrial Facilities Tax (PA 198), OPRA, and reimbursement payments made under contract relative to Renaissance Zones and other agreements in local distressed communities. For more information, contact the MEDC Customer Assistance ay (517) 373-9808.

Brownfield Redevelopment Incentives (Core Community Incentive)

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Core Communities have the ability to use Brownfield redevelopment tools on contaminated, blighted and functionally obsolete sites to facilitate the reuse of undesirable properties. The tax increment-financing (TIF) allows projects to capture state and local property and possibly school taxes to pay for cleanup-related costs such as demolition, site preparation, public infrastructure and lead and asbestos abatement, as well as environmental remediation. Brownfield redevelopment projects in Core Communities are also eligible to apply for a Single Business Tax Credit. Credits are available for up to 10% of eligible investments to a limit of $30 million. For more information on Brownfield Incentives go to the MEDC Website:

LINK: http://www.michigan.org/medc/miadvantage/incentives OR http://www.michigan.org/medc/services/general/cat/guide/index.asp

Obsolete Property Rehabilitation Exemption (OPRA) (Core Community Incentive)

Available only in Core Communities, this incentive is designed to assist in the redevelopment of contaminated, blighted and functionally obsolete properties. The objective is to convert underutilized buildings into vibrant commercial and/or commercial housing opportunities and is available only for commercial and/or commercial housing projects. The incentive offers the community the ability to freeze local property taxes at the pre-development level for up to 12 years. The developer can also apply to the State Treasurer to freeze half of the state education millage for up to six years. Land is not abated. For more information go to:

LINK: http://www.michigan.org/medc/services/general/cat/guide/index.asp

Neighborhood Enterprise Zones

This program provides property tax incentives for new home construction and home rehabilitation. For new home construction, instead of the full millage rate, the new home is taxed at half of the statewide average. For rehabilitation projects, the assessment is frozen at pre-improvement levels. Each of these abatements can be approved for 6 to 12 years. Land is not abated.

LINK: http://www.michigan.org/medc/services/general/cat/guide/index.asp

MICHIGAN TAX INCENTIVES – FINANCING TOOLS

Industrial Revenue Bonds (available through Michigan Strategic Fund)

Manufacturing companies, non-profit organizations, and solid-waste facilities can finance projects with low-interest Industrial Revenue Bond (IRB) loans available through the Michigan Strategic Fund. These bonds offer profitable firms with capital cost savings stemming from the difference between taxable and tax-exempt interest rates. The

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governmental unit borrows money from private capital markets, secured only by the project's revenues rather than the government's full faith and credit. Interest income earned on bonds issued by a governmental entity to finance a project for a private company which has demonstrated a good public purpose is exempt from federal, state, and local income taxes, thereby reducing the cost of capital (including the cost of letters of credit, remarketing fees, etc.) to an average 75-85% of prime. For more information on eligibility and terms, go to:

LINK:
http://www.michigan.org/medc/services/financial/combo.asp?ContentId=ACDD73A1-DC3B-4601-B544-9AE5654CBCD0&QueueId=1&ContentTypeId=10002&ContentName=IDRB_Industrial_Development_Revenue_Bonds

Industrial Revenue Bonds (available through Oakland County's Economic Development Corporation)

Manufacturing companies and non-profit organizations can finance projects with low-interest Industrial Revenue Bond (IRB) loans available through Oakland County's Economic Development Corporation (OCEDC). These bonds offer small to medium sized manufacturers and not-for-profit organizations the opportunity to finance the acquisition of fixed assets and related soft costs at favorable interest rates. The bond amounts range from $1 million to $10 million (no limit for not-for profit) and offer terms of up to 30 years. For more information go to:

LINK: https://www.oakgov.com/peds/program_service/finance_bond.html

Charter One Job Creation Loan Program

This new lending program is a partnership between the State of Michigan and Charter One Bank to help grow Michigan's economy by helping businesses access affordable financing. Up to $200 million is available for Michigan businesses to invest in equipment, machinery, building acquisition or remodeling. The Charter One Job Creation Loan Program can help you put your business plans into action. For more information, please go to:

LINK:
http://www.michigan.org/medc/services/financial/combo.asp?ContentId=276EFF6C-3B62-4F91-9402-23B3AA3D35C6&QueueId=1&ContentTypeId=10002&ContentName=Charter_One_Job_Creation_Loan_Program

Capital Access Program

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To assist small businesses with capital needs, the Michigan legislature has asked the Michigan Economic Development Corporation (MEDC) to reestablish the Capital Access Program (CAP). This innovative program uses small amounts of public resources to generate private bank financing, providing small, Michigan businesses access to bank financing that might not otherwise be available. While active, the CAP provided funding to more than 9,700 businesses, generating approximately $550 million in bank lending. For additional information go to:

LINK: http://www.michigan.org/medc/cm/attach/0003005A-7A12-42C3-BE1C-044EF1E000EA/CAP.pdf OR http://www.michigan.org/medc/services/financial/combo.asp?ContentId=D0DBF463-8122-460E-8029-E2A1E896EC36&QueueId=1&ContentTypeId=10002&ContentName=Capital_Access_Program

SBIR (Small Business Innovation Research)/STTR (Small Business Technology Transfer) Emerging Business Fund

This matching program, administered by the Michigan Economic Development Corporation (MEDC), awards funds to Michigan companies by matching Phase I SBIR/STTR awards. A "Michigan Company" is defined as a for-profit business that has all or substantially all of its employees and operations, including operations funded by the Phase I SBIR/STTR award, within the State of Michigan both at the time of the Phase I SBIR/STTR award and during the time period covered by the Phase I SBIR/STTR award. The Matching Award amount will be the lesser of $15,000 or 15% of the SBIR/STTR award. There will be a maximum of $50,000 available per Michigan Company, including affiliates, per fiscal year allocated on a first come first serve basis, contingent upon the availability of funds. Eligible applicants include individuals, Michigan Companies, and non-Michigan Companies. Matching Award distribution will be contingent upon individuals and non-Michigan Companies becoming a Michigan Company. For more information, go to

LINK: http://www.michigan.org/medc/ttc/sbir.asp OR http://www.sba.gov/sbir/indexsbir-sttr.html

SBA Small Business 504 Loans

The SBA's 504 Loan Program is Oakland County Business Finance Corporation a great deal for small and medium-sized businesses. Administered at the County level through the Oakland County Business Finance Corporation, a 504 loan provides access to the same type of long-term, fixed-rate financing enjoyed by larger firms. Interest rates are equivalent to favorable bond market rates. A 504 loan may be used for purchasing such fixed assets as land and improvements; construction of new facilities or renovation of existing facilities; or long-term machinery and equipment with a useful life of at least 10 years. Soft costs, such as legal and architectural fees, environmental studies, appraisals can be rolled into the loan. Ineligible costs include venture capital,

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refinancing or debt consolidation, working capital or vehicles. The program is designed to assist small to medium-sized companies that are considered fiscally healthy. In certain instances, the SBA 504 Loan Program may also be used to finance start-up businesses (i.e. those in operation less than two years). However, such businesses must demonstrate the following:

- Qualified management with industry related work experience,
- Strong marketing plan backed by a thorough market feasibility study,
- Access to an adequate amount of working capital, and
- Minimum 15% equity contribution.

There are also other loan programs available through the SBA that may be more suited for the various needs of small and medium sized business. For more information on the 504 Loan or other Federal Loan Programs go to the Federal or County website:

LINK: http://www.sba.gov/financing/sbaloan/cdc504.html OR

LINK: http://www.oakgov.com/peds/program_service/finance_sba.html

ADDITIONAL STATE OF MICHIGAN PROGRAMS & INCENTIVES

Michigan Renewable Energy Exchange (MI-REX)

MI-REX is a new pilot project operated by the State of Michigan Energy Office to provide a means for owners of small solar and wind electric systems to sell Renewable Energy Certifications (RECs). At this time, the Energy Office is accepting applications to participate in MI-REX. 2007 MI-REX Certification Applications and MI-REX Certificates for purchase will not be available until early 2008.

LINK: www.michigan.gov/eorenew

Workers' Compensation Cost Control Service

The Workers' Compensation Cost Control Service assists employers in designing and implementing strategies for minimizing their costs of workers' compensation coverage. This program also benefits employees by stressing the importance of injury prevention and easy return-to-work-programs, thereby minimizing the suffering and lost income, which result from work-related disabilities. For more information regarding this program please contact MEDC's Customer Assistance at (517) 373-9808 or go to:

LINK: http://www.michigan.org/medc/services/workerscomp/?m=12;9

Export Services Creation/Assistance

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The Michigan Economic Development Corporation has programs to assist Michigan companies at all levels of export experience, from beginners to those seeking to expand into new areas. Services are provided through a variety of methods. There is continuous web access to information and statistics including The Export Connection, a searchable web-based directory of Michigan export businesses and service providers found at

LINK: http://www.michigan.org.

Additionally, one-on-one assistance is available through an international trade specialist at MEDC. For more information call (517) 373-9808 or go to

LINK: http://www.michigan.org/medc/services/export/

Michigan Small Business & Technology Development Center

The Michigan Small Business & Technology Development Center[SM] network provides a full range of services for a variety of small businesses that are emerging and growing throughout Michigan -- new venture companies, existing small businesses, expanding businesses, new technology companies, and innovators. The MI-SBTDC is known throughout Michigan for its quality counsel, training and market research capabilities. All services are available at low-or no-cost because of the financial support of the Small Business Administration and local partners in each region.

LINK: http://www.misbtdc.org/MISBDCServices.asp

Business Operating Cost Estimating Service

This service can assist with the expansion and location decision process. It analyzes company-specific data and estimates the impact a firm's expansion might have on four cost factors, specifically the Single Business Tax, property taxes, workers' compensation insurance, and unemployment insurance. For further information go to:

LINK:
http://www.michigan.org/medc/services/financial/combo.asp?ContentId=5781DDE7-EE91-4747-A4DF-55469F0D6088&QueueId=1&ContentTypeId=10002

For other Business Services go to:

LINK: http://www.michigan.org/medc/services/?m=12 and click on the "Business Services" tab.

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AET BUSINESS DEVELOPMENT SERVICES

Michigan Smartzones focusing on Alternative Energy Business Development

TechTown Smartzone (Detroit)

- Business accelerator programs (FAST) – business plan required
- Minority and women targeted business accelerator program (DBI) – business plan required
- Funder access
- Incubator space (office & lab)
- Presentational development
- SBIR/STTR Outreach

Other Information:

- Focus: City of Detroit/Start up/Tech Development
- NextEnergy neighbor
- Wayne State University affiliation
- Partnership with SBTDC

LINK: www.techtownwsu.org
For more information contact: Judy Johncox at 313- 879-5250

Ann Arbor Spark Smartzone (Ann Arbor)

- High tech pre-seed fund for established/growing companies (cash match required)
- Access to Industrial Development bonds
- Fee-based Business accelerator programs
- Business planning and market strategy workshops for launching companies
- Business feasibility assessment
- Business model development
- Commercialization strategy development
- Financial projections
- Funder access & preparation services
- Incubator space (lab and over 2500sf office)
- Management coaching (one-on-one) and programs
- Staffing consulting
- Market planning
- SBIR/STTR Outreach

Other Information:

- Focus: City of Detroit/Start up/Tech development
- Affiliated with Wayne State University
- Neighbor to NextEnergy and Wayne State University

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LINK: www.annarborspark.org
For more information contact: Scott Olson at scott@annarborspark.org

The Right Place (Grand Rapids)

- Advanced Manufacturing focus
- Automotive supplier focus
- Brownfield development focus
- Commercialization strategy & supplier development
- WIRED Grant program implementer: Innovation Works Network (workforce development)
  - Curriculum development (product commercialization guidance)
  - Workshops
  - Technology portal
  - Design council
  - Financial access

Other Information:

- Focus: Grand Rapids/Attraction & expansion/Start ups/Tech Developers/Pre-commercial Projects
- Strategically aligned with West Michigan Strategic Alliance (WMSA)
- Affiliation with Grand Valley

LINK: www.rightplace.org
For more information contact: Jim Ross at rossj@rightplace.org

Pinnacle Aeropark Smartzone (Wayne County)

- Brownfield development
- Business planning & planning evaluation
- Financial Support services
- Incubator space (office and industrial)
- Technology feasibility
- Tax exempt financing expertise

The vision of the Pinnacle Aeropark of Wayne County is to transform approximately 1,200 acres of underutilized, county-owned land in close proximity to the airport into a high-quality, mixed use business and high-technology development.

Equally important is small business development, which the County supports through programs that provide job training and placement, financing for business development and expansion, reuse of industrial land, and public infrastructure.

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Other Information:

- Focus: Wayne County -- Romulus, Huron, area around DTW/Attraction & expansion

LINK: www.co.wayne.mi.us
For more information contact: Nancy Cappola at ncappola@co.wayne.mi.us

Automation Alley (Southeast Michigan)

- Advanced manufacturing focus
- Automotive supplier connections (extensive membership base)
- Business planning
- Presentational development
- Business feasibility assessment
- Financial support services
- Funder access – Pre-seed, Venture funds, sponsored awards
- Workshop development and delivery
- SBIR/STTR Outreach
- Partnership with SBTDC

Other Information:

- Focus: Oakland County/Established Companies/Start up
- Sponsor of Great Lakes Angels
- Incubation space via Oakland University Incubator
- Partnership with SBTDC
- Provides leads to GLA and will soon be funding GLA activities
- GLEQ sponsor of events and awards (like NEC)
- ISO meeting host
- Formal investment review board
  - Tech evaluation
  - Business plan evaluation against market opportunity (similar to Spark's process)

LINK: www.automationalley.org
For more information contact: Tom Anderson at andersont@automationalley.com

LEAP (Lansing Economic Area Partnership)

The Lansing Area Economic Partnership (LEAP) is a private/public partnership that was formed to achieve a compelling and integrated regional economic development strategy to transform the tri-county region comprising Ingham, Clinton, and Eaton counties. Through market-based and results-oriented business leadership and assistance, LEAP will be instrumental in the Greater Lansing Region's transformation into a national center

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for innovation and productivity that is highly competitive in the global economy. LEAP offers a number of business services including the LEAP Springboard Program which helps both existing and start-up companies.

LINK: www.leapincorporated.com

For more information contact 517-702-3387 or email at info@leapincorporated.com

Mid-Michigan Innovation Center (Midland)

- Securing of Financing and Capital
- Business management and administration support
- Guidance in building business alliances
- Connections to professional marketing firms to assist with market planning, research, strategy development
- Educational seminars and mentor connections
- Incubation space

LINK: www.midmichiganinnovationcenter.org
For more information contact: Brent Case at case@midmichiganinnovationcenter.org

MTECH Smartzone (Houghton)

- Offers programs and services that encourage entrepreneurial development and that help ensure the success of start-ups and small companies.
- Incubators: three different incubators to attract start-ups and corporate branch offices, with flexible leases and shared office equipment and services;

- Business Development Programs: programs that are designed to address specific needs of entrepreneurs, such as Investment Forums, Educational Workshops, and Networking Events;
- Business Services: access to a network of Financial, Legal, Business and Marketing consultants and service providers, usually at reduced rates;
- Student Programs: entrepreneurial internships and co-op opportunities that provide real-world experiences for the students and inexpensive quality assistance to the entrepreneur.

LINK: www.mtechsmart.com
For more information contact: Carlton Crothers (906) 487-7000 or email at ccrothers@mtecsz.com

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Other Business Development Support Services

CMU Research Corporation

- Research facility
- Incubator space
- Accelerator services
- Access to professional service providers who can assist with
  - Business and marketing plan development
  - Legal counseling and IP
  - Design and prototype development
  - Financial advising, access to capital
  - Site selection
  - Management team development

LINK: www.cmurc.com
For more information contact Nathan Long at *Nathan.long@cmich.edu*

Great Lakes Entrepreneurs Quest (GLEQ)

- Baseline business development education
- Business planning
- Financial services
- Funder preparation services
- Workshops development and delivery
- Pool of volunteer professional consultants
- Sponsored awards for technology development

LINK: www.gleq.org
For more information contact Art Demonte, Executive Director, at 734-647-8952 or email contact@gleq.org

Small Business Technology Development Center (SBTDC) – federally funded

- Partners with all SZAs
- Entrepreneur or formed organization (formed organization is not a requirement)
- Business planning assistance
- Presentation development assistance
- Business feasibility assessment
- SBIR/STTR outreach – connections to SBIR training to secure federal R&D grants

LINK: www.misbtdc.org

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Detroit Entrepreneurs Institute (DEI)

- Link only via TechTown
- Entry level education
- No company formed or business sense required
- 11-week training for FIA clients – business planning, business development (free)
- 2-month business planning training, 1-on-1 consulting, and financial and accounting directions (fee based from 0-$350)

LINK: www.deibus.org

Michigan Entrepreneurial Accelerator Partnership (MEAP)

- Targets companies moving from 1-10 employees and up to $1M in sales to 10-100 employees between $1 and 50M sales.
- Program which partners with Smartzones, incubators, universities to help transition clients into private market.
- Sets aside 10% of office space for partners' clients
- Accept stock in place of rent for 1-2 years
- Comes with membership in the Small Business Association (SBA) of Michigan
- Provide discounted rent when ready to expand

LINK: www.ari-el.com

Mid Michigan Innovation Team (MMIT) – a part of Prima Civitas

- Regional innovation assessment
- Next-generation R&D and business incubation
- New and expanded K-12 and postsecondary education programs, curriculum, and hands-on experiences
- Job, career, education, and training opportunities
- New markets assistance for business and industry
- Industry/stakeholder learning communities
- High-impact regional communications and community engagement strategies
-

LINK: www.midmiinnovationteam.org

For more information contact Irma Zuckerberg at (517) 999-3382 or email info@midmiinnovationteam.org

Entrepreneur & Investor Exchange

The Mission of the Entrepreneur & Investor Exchange is to enhance the opportunities for Entrepreneurs to become successful business owners, by providing the forum to meet Servicers, Consultants, Attorneys, CPAs, Mentors and other professionals, as well as Angel Investors, Venture Capitalists, Merchant Bankers and other Fiduciaries.
The Entrepreneur and Investor Exchange is run entirely by volunteers and affords the participants opportunities to learn about what makes entrepreneurialism work and to

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exchange ideas with some of the most creative business people and the most successful leaders in our area.

The Entrepreneur and Investor Exchange, LLC is a State of Michigan corporation therefore 99% of all entrepreneurs and investors are Michigan residents.

LINK: www.entrepreneurinvestorexchange.com

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Supporting Renewable Power Standard (RPS) in Michigan

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NextEnergy's STATEWIDE AET SUPPORT NETWORK PROGRAM

Commercialization & Funding Support Services

<INSERT #2 HERE>

NextEnergy Testing Program Description

NextEnergy Center is the grantee of a grant from the Michigan Strategic Economic Investment and Commercialization Board (SEIC Board) pursuant to an Agreement, dated February 1, 2007, authorized under Michigan Public Act 215 of 2005. Administrative services for the Grant are being provided by the Michigan Economic Development Corporation (MEDC). The funds are to support the efforts to grow and expand a Statewide Alternative Energy Technology (AET) Support Network.

As part of the Statewide Alternative Energy Technology (AET) Support Network project funded in part through this grant, NextEnergy, along with designated and qualified partners, will be providing access to R&D testing facilities for entrepreneurs or companies working with designated Smartzone accelerators, economic development corporations, or AET incubators. The primary user of testing are expected to be technology developers, project teams, companies who are seeking to (1) resolve specific AET technical problems, (2) assess viability of AET technology, or (3) jointly pursue AET business growth or product development opportunities within the State of Michigan. The collaborative partners providing access to R&D testing facilities are as follows:

1. NextEnergy Center (NEC), in Detroit, Michigan
2. Kettering University Fuel Cell Center (KU), in Flint, Michigan
3. Michigan Alternative Renewable Energy Center (MAREC), in Muskegon, Michigan

<u>R&D Facility Access Goal</u>

Provide access to R&D and testing facilities at a subsidized cost in order to assist technology developers, projects, or existing companies in securing additional funds to progress the process of AET commercialization.

<u>R&D Facility Access Qualifications</u>

Client of Smartzone, AET incubator, Economic Development Corporation, university partner, or other self-identified entity.

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Demonstrated ability to share in cost of facility use via private or federal funding (can not be co-funded by other State of Michigan funds)
Able to show how use of testing facility will secure additional funding based on test outcomes (preferred, not required)

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R&D Facility Access Budget

The Statewide AET Support Network program is allowing up to $600,000 in testing to be evenly allocated between three primary test sites ($200,000 per site).
Grant will cover 50% of all cost to be evenly allocated between three primary sites, totaling $100,000 per site.
Test sites may provide in-kind contribution to assist no more than 25% of total cost.
Any remaining cost must be covered through private or federal, or any non-State of Michigan funds and primarily secured by client or client representative.

Testing Sites

NextEnergy
Founded in 2003 as Michigan's accelerator for research and technology in the alternative energy sector, NextEnergy offers support across the entire spectrum of the industry. The research campus includes laboratory space, as well as testing and validation platforms including a microgrid pavilion and an alternative fuels testing platform. In addition, the organization provides a variety of business services, access to funding sources, and links to additional resources.

LINK: www.nextenergy.org

For more information contact Pam Hurtt at 313-833-0100 or email pamelah@nextenergy.org

Michigan Alternative and Renewable Energy Center (MAREC) – Facility Access
Led by Dr. Imad Mahawili and located on the Campus of Grand Valley State University, MAREC offers state of the art facilities for testing and validating advanced power generation technologies. Offering discounted rates for their equipment and space, MAREC is partnering with NextEnergy to help entrepreneurs and early stage companies advance their research and the commercialization of new technologies.

LINK: www.gvsu.edu/marec

Center for Fuel Cell Systems and Powertrain Integration - Facility Access
Led by Dr. K. Joel Berry and located on the campus of Kettering University, the Center for Fuel Cell Systems and Powertrain Integration offers specialized testing and validation platforms for hydrogen fuel cell technologies. Offering discounted rates for their equipment and space, the Center is partnering with NextEnergy to help entrepreneurs and early stage companies advance their research and the commercialization of new technologies.

LINK: http://fuelcells.kettering.edu/18.html?sm=24659
For more information contact Dr. Joel Berry at jberry@kettering.edu

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EXPERT-ON-CALL RESOURCES

Experts on Call: NextEnergy (NEC) Personnel

James A. Croce - NEC, Strategy, policy

Since 2003, Jim Croce has been CEO of NextEnergy. A former executive in the energy sector, he has held engineering, management, and strategic business development positions with several utilities. He also serves on numerous government, corporate, university and nonprofit boards focused on commercializing technologies and the economic development of Michigan.

James Saber - NEC, Technical & Financial

Jim Saber serves as Director, Program Development for NextEnergy. He is responsible for development of collaborative AET Research, Development, and Demonstration programs as well as leading the technology development and consulting services within NextEnergy. Prior to NextEnergy, Jim spent over a decade in the energy storage industry, holding product development and business development positions with fortune 500 and start up companies.

Dan Radomski - NEC, Technical & Supply Chain

Dan serves as VP of Industry Services for NextEnergy. His responsibilities include market development support for alternative energy companies, as well as facilitating clustered technology working groups, including Hydraulic Hybrid, Wind Energy Manufacturing, the Detroit Area Clean Cities Coalition, and the US-Canada BioEnergy Exchange. Prior to NextEnergy, Dan spent over a decade with the Society of Manufacturing Engineers as a leader in new product development, and prior to that in engineering and management positions at a manufacturing company and for a start-up venture.

Roland Kibler – NEC, Technical & Commercialization

Roland serves as Manager of Technology Development. He is responsible for technical and market assessments to support the development of emerging alternative energy companies/technologies. Roland has 30 years plus experience with Delphi Automotive Systems in the area of product development and applications.

Lori Koenig - NEC, Financial

Lori is the Chief Financial Officer of NextEnergy. Her responsibilities include all financial and reporting functions, as well as managing the seed and venture funding portfolios and partnerships. Prior to NextEnergy, she worked for Prechter Holdings where she managed the financial and reporting operations for

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the businesses and associated foundations, as well as for the strategic development of the investment portfolio.

Dave McLean - NEC, Technical & Facility Access

Dave is COO of NextEnergy. His responsibilities include overseeing the operation of NextEnergy's microgrid power pavilion, research laboratories, and alternative fuels platform, as well as all of the organization's technology collaboration programs. Prior to NextEnergy, Dave has worked as an engineer for several utilities and as a consultant with expertise in energy, environment, health and safety, and quality systems.

Mark Beyer - NEC, Marketing

Mark serves as Director of Marketing and Communications for NextEnergy. His expertise includes market assessment and development, strategic communications, website development, event management and multi-media presentations. Prior to NextEnergy, Mark spent more than two decades as a writer and creative director for marketing and advertising agencies handling national, regional and local accounts in a number of industries, including technology, health and retail.

Pam Hurtt - NEC, Process Mgmt

Pam is coordinating NextEnergy's programs under the Michigan 21st Century Jobs initiative. Her expertise includes project management, organizational development, and creative process management. An engineer by training, she has spent more than 20 years with DTE and other organizations in organizational development and project management.

Sue Pinkowski - NEC, Financial

Sue Pinkowski is the accountant and HR manager for NextEnergy, with responsibilities for financial reporting and HR administration, as well as for grant management and reporting for federal and state programs. In addition to her experience with several organizations, she also has worked for a CPA firm conducting audits.

For more information on NEC personnel, contact pamelah@nextenergy.org

Experts on Call: Partners

Sonali Vijayavargiya – Venture and Investment Services

Ms. Vijayavargiya, with over 12 years of experience in private equity, investment banking, and commercial lending, has developed expertise in commercialization strategies and fund raising. Founder and Managing Director of Augment Capital, LLC, in Ann Arbor, MI, Ms. Vijayavargiya currently works securing funding and guiding start-up companies in receiving funding from appropriate investors.
LINK: www.augmentcapital.com

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Daniel Luria, PhD - (supply chain development, market development, competitive positioning)

Director of the Michigan Manufacturing Technology Center (MMTC), Dan has more than 20 years of experience as a researcher and industry analyst. In addition, he is the executive director of the Industrial Technology Institute's Performance Benchmarking Service (PBS), which supplies customized benchmarking reports for smaller manufacturing companies. Co-author of three books, his work has appeared in the Harvard Business Review, the International Review of Applied Economics, and The American Prospect. **LINK:** www.mmtc.org

Loch McCabe - Shepherd Advisors (Fund Outreach, Workshops, Facilitation)

Loch is the founder and a principal of Shepherd Advisors, a small management consulting firm helping businesses commercialize new products and technologies in the Clean Tech sector. In the '90s, he built the Environmental Capital Network, which facilitated over $50 million in early-stage investments to Clean Tech companies nationwide. Loch's focus at Shepherd is strategic planning, market development, and financing. **LINK:** www.shepherdadvisors.com

Dave Haviland - Shepherd Advisors

Dave is a principal of Shepherd Advisors, a small management consulting firm helping businesses commercialize new products and technologies in the Clean Tech sector. With extensive experience in managing growth operations, developing marketing programs, and attracting capital, he has raised $5 million of early-stage investment, launched the European operations of a U.S. business, and managed or advised two dozen start-ups. Dave's focus at Shepherd is creating comprehensive plans, conducting market assessments, building management teams, and working with clients to ensure near-term success. **LINK:** www.shepherdadvisors.com

Ramsey Zimmerman - Shepherd Advisors

Ramsey is a principal of Shepherd Advisors, a small management consulting firm helping businesses commercialize new products and technologies in the Clean Tech sector. Throughout his career, he has researched and promoted green building design and construction strategies, recycling systems, energy efficiency strategies and alternative energy systems. Ramsey's focus at Shepherd is strategic planning, Clean Tech deployment, marketing, and market development. **LINK:** www.shepherdadvisors.com

Rachel Kuntzch - Fund Outreach, Workshops, Facilitation, Policy

Rachel is a business development and project management consultant contracted to NextEnergy's team for program support, grant writing, and project management, as well as for relationship building within Michigan's economic development community. Formerly a business development manager for the Michigan Economic Development Corporation (MEDC), Rachel was part of the original team that launched NextEnergy.

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Stanton Orser - Fund Outreach, Project Management, Marketing

Stan is a marketing and fundraising consultant contracted to NextEnergy's team for project management, website development, communications, and foundation grant development. For more than 25 years he has worked with national and local organizations to help them be more strategic in their internal and external communications, in their program development, and in finding creative solutions to achieving their goals.

Expert on Call: Technical Advisory Panel (TAP)

Dr. John Wilson - Technical (TAP member)

A chemical and materials engineer, Dr. Wilson has spent his career in the energy industry working with entities such as British Gas, Exxon Research & Engineering Co., Shell Canada's Oil Sands operation and Shell Development Company. Since 1987, John has worked with clients on the production of energy products and materials from renewable sources such as biomass and purpose-grown crops. He has written extensively about the hydrogen economy, biofuels, and global warming.

Vernon Parker Roan, Jr. - Technical (TAP)

A retired professor of Mechanical Engineering, Roan has been honored for decades for his extensive research and publications in fuels, fuel cells, electric and hybrid vehicles, energy-efficiency, transportation systems and wind energy. He serves as technical advisor or as a board member to numerous government commissions, universities, corporations and industry groups.

Bernard Robertson - Technical (TAP)

A private consultant for transportation and energy challenges, Robertson is a retired Senior Vice President of DaimlerChrysler Corporation, where he specialized for many years in fuel, energy, emissions and powertrain engineering, and had responsibility for hybrid-electric, battery-electric and fuel cell development.

Ralph Overend – Technical (TAP)

Since 1990, Ralph has provided technical leadership in biomass for the National Renewable Energy Laboratory, including field management of DOE's Biomass Power program. His contributions to the field include thermochemical conversion, biomass pretreatment, and both bench-scale and large-scale biomass gasification systems. Prior to this he was manager of the Bioenergy Program for the National Research Council of Canada. Winner of numerous awards, Ralph has co-authored 225 peer-reviewed publications and presented more than 150 lectures and talks nationally and internationally.

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