

Memorandum of Understanding

This Memorandum of Understanding ("MOU") is entered into on September ____, 2011, ("Effective Date") by and between MICHIGAN ECONOMIC DEVELOPMENT CORPORATION ("MEDC"), a Michigan public body corporate, having its office at 300 North Washington Square, Lansing, Michigan, and TOKYO ROPE MFG. CO., LTD., a Japanese company, having its office at 3-6-2 Nihonbashi Chuo-ku, Tokyo, Japan 103-8306 ("TRM"). The parties to this MOU are hereinafter collectively referred to as the "Parties" or individually as a "Party."

WHEREAS:

- (A) TRM has developed Carbon Fiber Composite Cables ("CFCC") as materials used for reinforcing prestressed concrete bridges ("PC Bridges");
- (B) MEDC has a strong interest in playing a leading role in the state of Michigan in terms of promoting the utilization of the most advanced and innovative materials within Michigan such as carbon fiber including CFCC for reinforcement of PC Bridges;
- (C) MEDC intends to encourage TRM to establish a manufacturing facility in the State of Michigan for the manufacture of CFCC in the most competitive manner;
- (D) TRM believes that the State of Michigan is a state where strong demand for CFCC exists due to its climatic environment;
- (E) TRM desires to conduct feasibility studies on the establishment of a CFCC manufacturing facility in the State of Michigan. At this time, TRM considers the investment for the CFCC facility will be feasible when CFCC are used as reinforced materials in 30 to 40 PC Bridges per year; and
- (F) Both Parties desire to explore possibilities for cooperation with respect to TRM's feasibility studies regarding (a) TRM's establishment of a CFCC manufacturing facility in the State of Michigan, (b) the usage of CFCC as reinforced materials for PC Bridges in the State of Michigan, including the possibility of a project with the Michigan Department of Transportation, and (c) other related TRM's CFCC projects (the "Project").

NOW THE PARTIES HEREBY AGREE as follows:

1. SCOPE OF THIS MOU

The purpose of this MOU is to promote continued discussions between the Parties, with the aim of facilitating an evaluation of the feasibility studies regarding the Project.

2. COOPERATION

The Parties will cooperate with each other with respect to CFCC business in the State of Michigan as related to the Project.

3. INFORMATION EXCHANGE

- 3.1 The Parties will exchange information for TRM to conduct feasibility studies for the Project.
- 3.2 TRM will provide MEDC with information on TRM's preliminary investment plan for a manufacturing facility of CFCC.
- 3.3 MEDC will assist TRM to find a suitable location for a manufacturing facility of CFCC in the state of Michigan.
- 3.4 The Parties agree and acknowledge that neither Party is obliged to disclose to the other Party any information relating to its existing businesses.

4. DOCUMENTATION AND APPROVALS

Finalization and execution of the Project shall be subject to approval of TRM's Board of Directors, obtaining all requisite consents, permits and approvals from all relevant entities, governmental and regulatory authorities, including execution of final documents, as may be required.

5. CONFIDENTIALITY

- 5.1 The Parties may enter into a separate confidentiality agreement for information that is related to developing public policy and includes information that may be kept confidential in accordance with the Michigan Freedom of Information Act.
- 5.2 Any intellectual property of TRM shall remain the exclusive property of TRM.

6. COSTS

Each Party shall bear its own costs and expenses incurred in negotiating and entering into this.

7. GOVERNING LAW AND JURISDICTION

This MOU shall be governed by the laws of the State of Michigan and the Ingham County Courts shall have exclusive jurisdiction.

8. NON-BINDING NATURE OF THIS MOU

Save for Clauses 5, 6, 7, 8 and 9 which the Parties expressly agree shall be legally binding on the Parties for the periods specified therein, all other provisions of this MOU shall not be binding on the Parties in any way and do not create any legal, contractual or equitable or enforceable rights, liabilities or obligations on the part of the Parties or either of them, notwithstanding any provision or implication to the contrary that may be contained elsewhere in this MOU.

9. TERM

This MOU shall come into force with immediate effect upon its execution by both Parties and shall, unless extended by mutual agreement of the Parties, be effective for a period of twelve (12) months from the Effective Date.

10. HEADINGS

The headings to the provisions of this MOU are for ease of reference only and shall not be taken into account in the interpretation or construction of this MOU or any of its provisions.

The Parties have caused this MOU to be executed by their respective authorized representatives on the day and year first above written.

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

Signature: _____

Name: _____

Title: _____

TOKYO ROPE MFG. CO., LTD.

Signature: _____

Name: _____

Title: _____