

TAX INCENTIVE AGREEMENT

Commercial Rehabilitation Exemption Certificate

(Revised March 19, 2012)

-----, hereinafter referred to as the "Company" has submitted an application to City Council for the granting of an Commercial Rehabilitation Exemption Certificate (CREC) pursuant to Michigan Public Acts 210, Of 2005, as amended.

In recognition of the granting of the CREC by City Council and the benefit of the tax savings for the Company, and the economic growth of the City, I hereby agree on behalf of the Company to the following;

1. The Company will furnish notification of the completion of the facility to the City Assessor and the State Tax Commission, within 30 days of the date of completion. If there is no construction progress for a facility under construction for more than 180 days, the Company will notify the City Assessor.

2. Within 90 days of the date of completion of the facility, the Company will report;

a. The final cost of the facility to the City Assessor and the State Tax Commission.

b. The number of jobs created by completion of the facility, not including jobs transferred from other locations.

If the actual project costs are more than 10% less than the estimated costs given in the application, or if the number of jobs created are less than the number estimated in the application, the Company will provide an explanation.

3. As a condition of receiving a CREC, or an extension of an existing certificate, pursuant to this policy, a company agrees to operate the facility for which the CREC is granted for the term of the CREC, plus an additional term after the date of expiration of the CREC according to the following schedule:

A. Tax abatement of up to eight (8) years (including extensions) = Length of the abatement plus two years.

B. Tax abatement over eight (8) years = (including extensions) = Length of the abatement plus four years.

4. The Company further understands that if it vacates or fails to operate the facility for which the CREC is granted for the period of time as outlined above, that the company is liable for repayment of any property tax savings benefiting the Company due to the existence of the CREC, beginning with the initial effective year of the CREC. This provisions may be waived by the City Council at the request of the Company for justifiable cause.

5. The Company further agrees to pay it's abated real and personal property taxes timely and without penalty. In addition, the Company agrees to inform the City Assessor and the City Treasurer of any plans to relocate the company from any location within the City, 30 days prior to the relocation.

6. The Company agrees to notify the City Assessor and City Treasurer of any change in the ownership of the Company's real and personal property assets or a majority share of the Company's stocks. For the purposes of this agreement, a new owner or lessee shall be defined as follows:

i. For Commercial Rehabilitation Exemption Certificates that pertain to real property improvements, the term "new owner or lessee" shall be defined as follows:

1.) A new entity that acquires, owns and occupies or leases and occupies the facility after the existing certificate holder has physically moved from or vacated the facility.

Or

2.) An entity that acquires an ownership interest of more than 50% in the existing certificate holder entity that owns and occupies or leases and occupies that facility.

ii. For Commercial Rehabilitation Exemption Certificates pertaining to personal property, the term "new owner or lessee" shall be defined as follows:

1.) A new entity that acquires from the existing certificate holder entity the ownership of the facility or leasehold interest in the facility and which keep the facility at its current location.

Or

2.) An entity that acquires an ownership interest of more than 50% in the existing certificate holder entity that owns or leases the facility.

7. Whenever there is a new owner or lessee, as defined above, of any real or personal property for which a CREC has been granted, the new owner or lessee shall make application for a transfer of the certificate to the new owner or lessee immediately, but no longer than six (6) months after a change in ownership occurs. The City Council may grant requests to transfer existing certificates, provided requests are consistent with the City's adopted Tax Abatement Policy, or any amendments made to the policy, that is in effect at the time a request for a transfer is made. An updated tax abatement development agreement shall accompany any request for a transfer of a certificate to a new owner or lessee.

8. The Company further agrees to abide by all other city ordinances, building and zoning codes during the operation of the facility.

By the signatures of representatives of both the Company and the City below, it is understood that both the Company's investment in the project and the City's investment through the granting of the CREC is to encourage the economic growth of all.

WITNESS:

COMPANY:

_____ BY: _____

ITS: _____

DATED: _____

ACKNOWLEDGED BY THE CITY OF AUBURN HILLS

WITNESS:

_____ BY: _____

ITS: MAYOR

DATED: _____

BY: _____

ITS: CITY CLERK

DATED: _____