

**CITY OF ROCHESTER HILLS  
PERSONAL PROPERTY TAX EXEMPTION  
AGREEMENT**

**Whereas,** Public Act 328 of 1998 provides for the consideration by a local governmental unit of an application for an exemption of new personal property; and

**Whereas,** Bright Automotive, Inc. has applied for a property tax exemption under the Act to establish a technical center (the “Facility”) located in the development commonly known as University Technology Park at the address 3851 West Hamlin Road in Rochester Hills, Michigan, 48309, and the request is made in conjunction with MEGA tax credits approved by the MEGA Board on November 17, 2010; and

**Whereas,** the Rochester Hills City Council has approved Bright Automotive’s exemption request for a period of two years, beginning on December 31, 2011 and expiring on December 30, 2013, subject to the company and City entering into this Agreement specifying terms and conditions of the property tax exemption; and

**Whereas,** the City’s approval of Bright Automotive’s application for property tax exemption is in consideration of and in reliance on, and is materially induced by, Bright Automotive’s projected jobs creation and investment in the Facility, and is intended to promote economic growth in the community.

**Now, Therefore, Be It Resolved,** that it is mutually agreed and understood as follows:

1. Bright Automotive’s application for personal property tax exemption exempting all of its new personal property at the Facility from property taxation is approved for a period of two (2) years effective on December 31, 2011 and expiring on December 30, 2013, subject to approval by the State Tax Commission and the terms and conditions of this Agreement. Bright Automotive understands that only new personal property that it acquires after State Tax Commission approval of the exemption and that would otherwise be subject to taxation is eligible for the exemption.
2. Bright Automotive understands and acknowledges that the City’s approval of the tax exemption is made in consideration of and in reliance on, and is materially induced by, Bright Automotive’s representations concerning job creation and capital investment in the Facility as follows:
  - A. **Employment Requirement.** Bright Automotive represents at least two-hundred and four (204) new jobs will be created and retained at the Facility during its initial lease term of five (5) years. For purposes of this Agreement, a “new” job means either a new employee on Bright Automotive’s payroll, an employee transferred to the Facility from outside

of Rochester Hills, or a combination of both, who is employed for consideration for at least 35 hours of work each week and for whom Bright Automotive, an employee leasing company, professional employer organization or other entity on behalf of Bright Automotive, withholds income and United States social security taxes.

- B. Capital Investment Requirement. Bright Automotive represents it will make a capital investment of at least \$9,120,100 to be located at the Facility within the initial lease term of five (5) years. This investment shall include but not be limited to machinery and equipment.
3. By January 31 of each year, Bright Automotive shall submit a written report to the City Assessor stating:
- A. Its current number of employees and number of new jobs created and retained since approval of the tax exemption. If the current number of employees is less than the number represented and projected in Bright Automotive's application, an explanation of the reason(s) for the shortfall shall be provided.
  - B. The actual cumulative capital investment made to date and relative to the commitment represented in Paragraph 2 of this Agreement.
4. Bright Automotive shall, within ten (10) business days, notify the City in writing if Bright Automotive closes or substantially ceases operations in its Facility, or if Bright Automotive terminates or lays off more than 50 percent of its work force at the Facility. Failure to do so shall constitute a material breach of this Agreement.
5. In order to retain the benefit of the tax exemption, Bright Automotive must operate its Facility for the duration of its initial lease term of five (5) years, and at least a portion of its projected employment and capital investment goals in the Facility pursuant to Paragraph 2 of this Agreement. The following circumstances, however, shall constitute a breach of this Agreement in which case the City will revoke the tax exemption and/or require Bright Automotive to repay all of the abated property taxes if the City Council determines it is in the public interest to do so:
- A. If Bright Automotive, during its initial five-year lease term, either closes or relocates (outside of the City), operations at its Facility, unless: (1) the closure or relocation is due to an act of nature (including but not limited to a tornado or earthquake) that destroys or substantially damages the Facility, eminent domain, labor dispute, criminal act, long-term power or energy shortage, act of terrorism or war, fire or other catastrophic event; or (2) permission is requested from and granted by the City Council, in its sole discretion;

B. If Bright Automotive materially breaches this Agreement and fails to promptly and diligently correct such breach after being notified of the breach by the City; or

C. If Bright Automotive becomes insolvent or bankrupt.

Then, and in such event, the City may, at its option, declare the remaining term of the exemption (if any) to be terminated or revoked, and/or the City may require all or part of the ad valorem taxes exempted or abated through the date of termination to be repaid. Prior to terminating or revoking the exemption or requiring repayment of exempted or abated taxes, the City shall serve Bright Automotive with 30 days prior written notice of its intent to do so and afford Bright Automotive the opportunity to address and be heard by City Council. The taxes to be repaid shall constitute a lien on the subject property, which taxes and lien shall be collected and enforced in the same manner as delinquent property taxes under property tax laws. At its option, the City may seek repayment of the taxes and/or other remedies under applicable Michigan laws, including MCL 445.601, et seq.

6. If Bright Automotive operates its Facility for the duration of its initial lease term of five (5) years but fails to meet and maintain at least 50% of the capital investment requirement and at least 50% of the employment requirements set forth in Paragraph 2 of this Agreement, then they agree to reimburse the City of Rochester Hills by a pro rata share of the sum of the property tax abatements. 50% of the pro rata reimbursement shall be based on Bright Automotive's capital investment requirement and 50% shall be based on the Bright Automotive's Employment Requirement.

By example: if the actual capital investment is 10% less than the Capital Investment Requirement, and the actual new employment is 20% less than the Employment Qualification, then the amount of the reimbursement to the City of Rochester Hills would be 15% of the property tax abatement. Or, if the actual new investment meets the Investment Requirement, but actual employment is 20% less than the Employment Requirement, then the amount of the reimbursement to the City of Rochester Hills would be 10% of the property tax abatement; provided, however, that the reimbursement paid to the City of Rochester Hills under this Agreement in any year of performance shall not exceed the amount of the property tax abatement received by Bright Automotive for such year. Notwithstanding the terms and conditions detailed in Paragraph 5 of this Agreement, the remedies set forth in this paragraph shall be the sole and exclusive remedy of the City of Rochester Hills and the sole and exclusive obligation of Bright Automotive in the event Bright Automotive does not meet and maintain the employment and investment requirements set forth in Paragraph 2.

7. If Bright Automotive operates its Facility for the duration of its initial lease term of five (5) years but falls below 50% of the capital investment requirement and

below 50% of the employment requirements set forth in Paragraph 2 of this Agreement, then the City may, at its option, require part or all of the ad valorem taxes exempted or abated to be repaid. Prior to taking action in this circumstance, the City shall serve Bright Automotive with 30 days prior written notice of its intent to do so and afford Bright Automotive the opportunity to address and be heard by City Council.

8. The terms and conditions herein shall bind the heirs, designees, legatees, assigns and successors of the respective parties. Michigan law shall govern this Agreement and any disputes arising hereunder. Venue for dispute resolution shall be in a state court of competent jurisdiction in Oakland County, Michigan. In the event that any provision of this Agreement shall be deemed to be unlawful or unenforceable, it shall be construed to be severed and not affect the enforceability of any provision herein contained.
9. This Agreement shall not be effective until approved by the City Council of the City of Rochester Hills and signed by the Mayor and City Clerk of the City and authorized Bright Automotive representatives.

*(The remainder of this page is intentionally blank. Signatures follow.)*

**IN WITNESS WHEREOF**, the Parties hereto caused this Agreement to be executed by their duly authorized representatives as of the day and year indicated below.

**BRIGHT AUTOMOTIVE, INC.**

Address: 2701 Enterprise Dr., Suite 228  
Anderson, IN 46013

WITNESSES:

\_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_

ITS: \_\_\_\_\_

DATE: \_\_\_\_\_

**CITY OF ROCHESTER HILLS**

Address: 1000 Rochester Hills Dr.  
Rochester Hills, MI. 48309

WITNESSES:

\_\_\_\_\_

BY: \_\_\_\_\_

Bryan K. Barnett

\_\_\_\_\_

ITS: Mayor

DATE: \_\_\_\_\_

WITNESSES:

\_\_\_\_\_

BY: \_\_\_\_\_

Jane Leslie

\_\_\_\_\_

ITS: City Clerk

DATE: \_\_\_\_\_