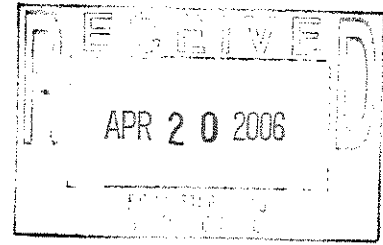


North American Cerutti Corporation



15800 West Overland Drive
New Berlin, WI 53151-2882 USA
Telephone: 262-827-3800
sales@cerutti.com
www.cerutti.com



April 12, 2006

Ms. Patricia Somerville
Mayor
City of Rochester Hills
1000 Rochester Hills Dr.
Rochester Hills, MI 48309

Dear Ms. Somerville:

North American Cerutti formally requests that the City of Rochester Hills establish an Industrial Development District at 2960 Technology Drive, Rochester Hills, MI 48309. For your reference, you will find enclosed a legal description and site map that defines the location of the district.

Your prompt attention to this matter is greatly appreciated.

Sincerely,

Paul Cappa
Executive Vice President

Enclosure

Cerutti

FAX 262-827-4545
sales@cerutti.com

ZERAND

FAX 262-827-3911
zerandsales@cerutti.com

flexotecnica

FAX 262-827-4545
sales@cerutti.com

IBERICA AG

FAX 262-827-4545
sales@cerutti.com

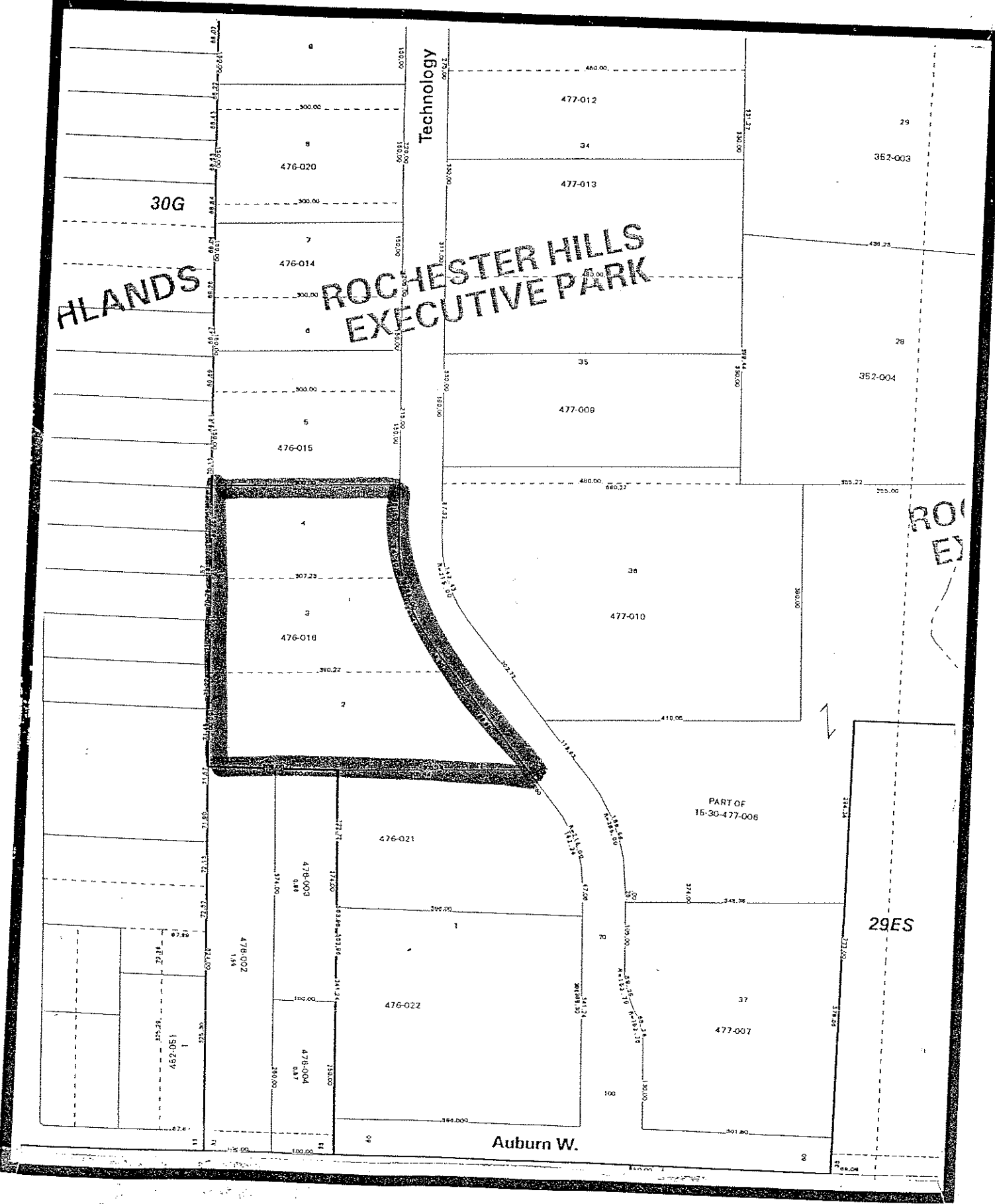
Legal Description of Property at 2960 Technology Drive, Rochester Hills, MI 48309

Sidwell 15-30-476-016

A parcel of land containing Lots 2, 3, and 4, Rochester Hills Executive Park, part of the Southwest $\frac{1}{4}$ of Section 29 and the Southeast $\frac{1}{4}$ of Section 30, T.3N., R.11E., City of Rochester Hills, Oakland County, Michigan, according to the Plat thereof recorded in Liber 199 of Plats, pages 26, 27, 28, 29, and 30 of Oakland County Records.

The land area of 2960 Technology Drive is 3.8 acres or 166,623 square feet while the occupied building space is 42,206 square feet, which includes a mezzanine level of 500 square feet.

Plat Map



Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of P.A. 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date received by Local Unit
STC Use Only	
Application Number	Date Received by STC

APPLICANT INFORMATION

All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) Bernal, Inc.	1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (Four Digit Code) 3544	
1c. Address of Facility (real property or personal property location) 2960 Technology Drive	1d. Name of City/Township/Village (Indicate which) Rochester Hills	1e. County Oakland
2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(1)) <input type="checkbox"/> Research and Development (Sec. 2(9))	3a. School District where facility is located Avondale	3b. School Code 63070
		4. Amount of years requested for exemption (1-12 Years) 12

5. Thoroughly describe the project for which exemption is sought: Real Property (Type of Improvements to Land, Building, Size of Addition); Personal Property (Explain New, Used, Transferred from Out-of-State, etc.) and Proposed Use of Facility. (Please attach additional page(s) if more room is needed).

This project includes the acquisition of new state of the art manufacturing equipment to be used in Bernal's manufacturing process. This new equipment will replace older equipment (vintage 1980's) that, due to obsolescence and technological advances, is inefficient as well as difficult and costly to maintain. This equipment will allow Bernal to compete more effectively in today's extremely competitive market place.

6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation plus total costs	\$4,750,000.00
6c. Total Project Costs	Personal Property Costs \$4,750,000.00 Total of Real & Personal Costs

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	<u>Begin Date (M/D/Y)</u>	<u>End Date (M/D/Y)</u>	
Real Property Improvements	7/10/06	6/30/08	<input type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements			<input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. Yes No

9. Number of existing jobs at this facility that will be retained as a result of this project. 8	10. Number of new jobs at this facility expected to be created within two years of project completion. 5
--	--

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of valuation for the entire plant rehabilitation district. The SEV data below must be as of December 31 of the year prior to the rehabilitation.

a. SEV of Real Property (excluding land) _____

b. SEV of Personal Property (excluding inventory) _____

c. Total SEV _____

12a. Check the type of District the facility is located in:

Industrial Development District Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit) _____

12c. Is this application for a speculative building (Sec. 3(8))? Yes No

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name Kelly S. Lang	13b. Phone Number (248) 299-3600	13c. Fax Number (248) 299-0841	13d. E-mail Address lang@bernaltech.com
14a. Name of Contact Person Kelly S. Lang	14b. Phone Number (248) 299-3600	14c. Fax Number (248) 299-0841	14d. E-mail Address lang@bernaltech.com
15a. Name of Company Officer (No Authorized Agents) Kelly S. Lang			
15b. Signature of Company Officer (No Authorized Agents) <i>Kelly S. Lang</i>		15c. Fax Number (248) 299-0841	15d. Date 4/20/2006
15e. Mailing Address (Street, City, State, ZIP) 2960 Technology Drive		15f. Phone Number (248) 299-3600	15g. E-mail Address lang@bernaltech.com

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

<p>16. Action taken by local government unit</p> <p><input type="checkbox"/> Abatement Approved for _____ Years (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Denied (Include Resolution Denying)</p>	<p>16b. The State Tax Commission Requires the following documents be filed for an administratively complete application:</p> <p>Check or Indicate N/A if Not Applicable</p> <p><input type="checkbox"/> 1. Original Application plus attachments, and one complete copy</p> <p><input type="checkbox"/> 2. Resolution establishing district</p> <p><input type="checkbox"/> 3. Resolution approving/denying application.</p> <p><input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant)</p> <p><input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant)</p> <p><input type="checkbox"/> 6. Building Permit for real improvements if project has already begun</p> <p><input type="checkbox"/> 7. Equipment List with dates of beginning of installation</p> <p><input type="checkbox"/> 8. Form 3222 (if applicable)</p> <p><input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)</p>
<p>16a. Documents Required to be on file with the Local Unit</p> <p>Check or Indicate N/A if Not Applicable</p> <p><input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district.</p> <p><input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing.</p> <p><input type="checkbox"/> 3. List of taxing authorities notified for district and application action.</p> <p><input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.</p>	
17. Name of Local Government Body	18. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Phone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

**State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, MI 48909-7971**

STC USE ONLY			
LUCI Code	Begin Date	End Date	End Date2

APPLICATION FOR INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE

Attachment A - Machinery & Equipment List

4/20/2006 - Page 1 of 1

<u>Description of Machinery & Equipment</u>	<u>Projected Installation Date</u>	<u>Expected Cost</u>
<u>Equipment to be purchased</u>		
CNC-Turning-Drilling-Milling Center M120 Millturn / 5000 manufactured by WFL Millturn Technologies	9/30/2006	\$ 2,375,000
DMG / DMF 360 5-Axis Machining Center for Roll Die Manufacturing manufactured by Deckel Maho Gildemeister	1/10/2007	\$ 700,000
Tool Presetting & Measuring System manufactured by Speroni	9/30/2006	<u>\$ 75,000</u>
Subtotal of Equipment that is committed to be purchased		<u><u>\$ 3,150,000</u></u>
 <u>Equipment under evaluation for purchase</u>		
5-Axis Machining Center for detail manufacturing	TBD	\$ 600,000
Laser Cladding Station to be used for Cladding Dies	TBD	<u>\$ 1,000,000</u>
Subtotal of Equipment that is being evaluated for purchase		<u><u>\$ 1,600,000</u></u>
 GRAND TOTAL EQUIPMENT INCLUDED IN THIS APPLICATION		<u><u>\$ 4,750,000</u></u>

History of Bernal, Inc.

Bernal, Inc., founded in 1972, is a division of Cerutti, O.M.G.C. located in Casale Monferrato, Italy. A leading manufacturer of rotary dies and product and packaging automation systems for the package printing and consumer products industries. Bernal's products are used to cut and form paperboard and related materials. Bernal's customers include folding carton manufacturers and consumer product companies. Bernal designs, manufactures, and markets web-fed machinery and rotary dies using standard and custom designed modular cutting stations and complete in-line stand-alone rotary cutting and assembly systems. Since developing the Electronic Discharge Machining ("EDM") process for the manufacture of rotary dies, Bernal has continued to pioneer new technologies for machine systems and rotary dies. Currently, Bernal is developing a proprietary process utilizing laser cladding technology which will significantly enhance the quality and life of, while reducing the cost to manufacture, rotary dies. The laser cladding process will represent the most significant advancement in the manufacture of rotary dies since the introduction of EDM dies more than 30 years ago. Additionally, because the laser cladding process is based on the use of the EDM process and because Bernal is the only rotary die manufacturer in the world using EDM to manufacture large rotary dies, the laser cladding process will create a significant competitive barrier to other rotary die manufacturers.

Bernal also offers a range of products including crush cut dies, RP® dies, male/female dies, embossing dies, progressive die systems, standard module designs, in-line cutting systems and stand-alone product automation systems. Bernal believes its technical and engineering capabilities combined with its focus on providing specialized customer solutions provide it with a competitive edge over other rotary systems and die manufacturers.

Bernal's current facility, located in Rochester Hills, Michigan, has provided Bernal an opportunity to showcase its increased capacity and enhanced manufacturing capability.

MIM W.C. FUND

Metalworking Industries of Michigan Self-Funded Workers' Compensation Fund

THIS FUND IS A QUALIFIED SELF-INSURER IN THE STATE OF MICHIGAN
FOR ITS MEMBERS' WORKERS' COMPENSATION LIABILITY

WORKERS' DISABILITY COMPENSATION CERTIFICATE OF COVERAGE

NAME & ADDRESS OF INSURED:	NAME & ADDRESS FOR WHOM CERTIFICATE IS ISSUED:
Metalworking Industries of Michigan Workers' Compensation Fund	MEMBERSHIP CODE: DS 257
Self-Insured I.D.# - 34044000A50	MEMBER SINCE: 1/1/2001
30600 Northwestern Hwy. Suite 250 Farmington Hills, MI 48334 Phone: (248) 538-0680 Fax: (248) 538-0471	<i>Bernal Inc.</i> 2960 Technology Dr. Rochester Hills, MI 48309
	COVERAGE EFFECTIVE: 01/01/2006
	COVERAGE EXPIRES: 12/31/2006

This is to certify that the company designated below, has issued to the insured named herein, the policies listed below and such policies apply with respect to the hazards and for the coverages and limits of liability indicated by specific entry herein, subject to all the terms, conditions and exclusions in such policies. Furthermore, the above named employer, being subject to the provisions, of the Michigan Workers' Compensation Law, has selected workers' compensation coverage through membership in the Metalworking Industries of Michigan Workers' Compensation Fund.

POLICY ISSUED BY OR IN BEHALF OF
CITIZENS INSURANCE COMPANY OF AMERICA

POLICY NUMBER: WCX 001217
POLICY PERIOD: 01/01/2006 - 12/31/2006

LIMITS OF PAYMENT:

Aggregate Limit: \$10,000,000
Specific Retention: \$ 425,000
Specific Limit: Statutory
Employers Liability Coverage: \$ 10,000,000 Aggregate
\$ 5,000,000 Per Occurrence

THIS CERTIFICATE IS NOT A POLICY AND OF ITSELF DOES NOT AFFORD ANY
COVERAGE. NOTHING CONTAINED IN THIS CERTIFICATE SHALL BE CONSTRUED AS
EXTENDING COVERAGE NOT AFFORDED BY THE METALWORKING INDUSTRIES OF
MICHIGAN WORKERS' COMPENSATION FUND OR AS AFFORDING COVERAGE TO ANY
ENTITY NOT NAMED ABOVE.



METALWORKING INDUSTRIES OF MICHIGAN

A Michigan Self-Funded Worker's Compensation Program for the Metal Working Industry

2006 FUND YEAR PREMIUM ESTIMATE REPORT

12/02/2005

Contact: JOAN IRELAND

Company: BERNAL INC.

Address: 2960 TECHNOLOGY DR
ROCHESTER HILLS, MI 48309

Phone: (248) 997-1021

Federal ID#: 42-1541063

MIM Membership #: 257

Enrollment Date: 01/01/2001

Agent:

Policy Period: January 1, 2006 through December 31, 2006

<u>CODE</u>	<u>CLASSIFICATION</u>
3115	TOOL MFG.-NOC
7380	DRIVERS
8742	SALES
8810	CLERICAL
3724	MILLWRIGHT

A loss control inspection/classification audit may be required prior to binding coverage.
Contact the MIM W.C. Fund office for more information.
Phone (248) 538-0680 FAX (248) 538-0471

Signed: _____

Date: 12/29/05