

**CITY OF ROCHESTER HILLS
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
DEVELOPMENT AGREEMENT**

Whereas, the City of Rochester Hills is a Home Rule Michigan Municipal Corporation and a local governmental unit within the meaning of Public Act 198 of the Public Acts of 1974, as amended; and

Whereas, Public Act 198 of 1974, as amended, provides for the consideration by a local governmental unit of an application for an Industrial Facilities Exemption Certificate; and

Whereas, effective April 1, 1994 Public Act 198 was amended to require a written agreement between the local governmental unit and the owner of an industrial property which is to be filed with the Department of Treasury; and

Whereas, 2960 Technology Dr. is a facility within an established Industrial Development District within the City of Rochester Hills; and

Whereas, all conditions precedent as required by Public Act 198 of 1974, as amended, have been met; and

Whereas, The City of Rochester Hills City Council, after notice and public hearing as required by statute, has approved Bernal, Inc's application for an industrial facilities exemption certificate.

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

1. The application for an Industrial Facilities Exemption Certificate is approved for a period of _____ years effective on Dec. 31, 2006, for *personal property only*.
2. The approval of the City of Rochester Hills is based upon a legislative finding that the granting of the Industrial Facilities Exemption Certificate (IFT) considered with the aggregate amount of previously granted Industrial Facilities Exemption Certificates does not have the effect of substantially impeding the operation of the City of Rochester Hills or impairing the financial soundness of a taxing unit that levies an ad valorem property tax within the City of Rochester Hills.
3. In the event the applicant, Bernal, Inc., ceases doing business or lays off more than 50 percent of its work force for a period of six months or more prior to the expiration of the Industrial Facilities Exemption Certificate, the remaining term of years shall be null and void and all ad valorem taxes abated as a result of the issuance of the Industrial Facilities Exemption Certificate shall immediately become due and payable upon demand by the City. Furthermore, failure by Bernal, Inc. to pay said abated taxes within 30 days shall result in the City placing a lien upon all properties covered by the Industrial Facilities Exemption Certificate on the tax rolls of the City and/or County, which lien may not be discharged until the payment thereof and which lien shall be treated in the same manner as delinquent taxes.
4. The provisions of Paragraph 3 (above) shall be implemented pursuant to Public Act 198

of 1974, Sections 13 and 15, since the purposes for the issuance of the certificate are no longer being fulfilled and there is no reasonable likelihood that employment will be created or retained.

5. Bernal, Inc. shall have the duty to notify the City of Rochester Hills in writing within 24 hours of the date which the facility has been closed or more than 50 percent of its employees have been laid off. The failure to do so shall result in the addition of penalties, interest and costs allowed by statute in the case of delinquent taxes to be levied on the abated taxes in addition to the principal amounts.
6. Applicant Bernal, Inc. has indicated that at least 8 jobs will be retained and 5 new jobs will be added to its work force within 12 months of project completion. Applicant has indicated an initial investment of \$3,150,000 in the facility within 12 months of the date of this agreement. Applicant has further indicated that an additional investment of \$1,600,000 is being considered for the facility. If this additional investment occurs within two years of the date of this agreement, it also will be covered under terms of the agreement and the IFT. This investment shall include the cost of building improvements, machinery and equipment, as well as furniture and fixtures.
7. If, after 24 months from the date of this agreement, and any time subsequent thereto, applicant Bernal, Inc. has not employed the number of persons set forth in Paragraph 6, or has not made a minimum investment of \$3,140,000 in the facility, the City shall be entitled to reduce the number of years of the Certificate in accordance with the Tax Exemption Chart in Exhibit "C".
8. No later than the 10th day of January immediately following the second year after the issuance of the Industrial Facilities Exemption Certificate and annually thereafter, the company shall submit a letter to the City Assessor stating:
 - A. The number of new jobs identified in the IFT application within a two-year period and the actual number of new jobs created.
 - B. If the IFT was granted on the basis of job retention, the number of employees at the time of the application and the current number of employees.
 - C. If projection for creation of jobs was not reached, give explanation.
 - D. The estimated project cost given in the application and the actual project cost
 - E. If actual project costs differ substantially from projected cost, give explanation.
 - F. Current number of employees and their city of residence.
 - G. If the current number of employees is less than the number projected in the application, an explanation for the reduced number shall be included.
9. The applicant, Bernal, Inc., agrees to remain in the City of Rochester Hills for the period of the Industrial Facilities Exemption Certificate to retain the benefits of the abated taxes, unless permission is granted by the City Council. Failure to obtain permission prior to the end of the term of the Industrial Facilities Exemption Certificate shall result in the right of the City to recapture from applicant all taxes abated plus interest at the rate of 8% per year compounded annually. The taxes and interest shall be a lien placed upon the tax

rolls of the City and/or County and collected in the same manner as set forth in Paragraph 3.

10. The covenants herein shall bind the heirs, designees, legatees, assigns and successors of the respective parties. This contract shall be governed by the laws of the State of 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 here-from and not affect the enforceability of any provision herein contained.
11. 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 the appropriate company representatives.

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.

(Signatures on the Next Page)

BERNAL, INC.

Address: 2960 Technology Dr.
Rochester Hills, MI. 48309

WITNESSES:

BY: _____

ITS: _____

DATE: _____

CITY OF ROCHESTER HILLS

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

WITNESSES:

BY: _____
Bryan Barnett

ITS: Mayor

DATE: _____

WITNESSES:

BY: _____
Jane Leslie

ITS: City Clerk

DATE: _____

