

# Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 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)<br><b>KOSTAL Kontakt Systeme Inc.</b>   |  | ▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code)<br><b>335931</b> |                                       |
| ▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location)<br><b>1350 W. Hamlin Road, Rochester Hills, MI 48309</b>   |  | ▶ 1d. City/Township/Village (indicate which)<br><b>City of Rochester Hills</b>                        | ▶ 1e. County<br><b>Oakland County</b> |
| ▶ 2. Type of Approval Requested<br><input type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Transfer (1 copy only)<br><input type="checkbox"/> Speculative Building (Sec. 3(8)) <input checked="" type="checkbox"/> Rehabilitation (Sec. 3(1))<br><input type="checkbox"/> Research and Development (Sec. 2(9)) |  | ▶ 3a. School District where facility is located<br><b>Rochester Com. Schools</b>                      | ▶ 3b. School Code<br><b>63260</b>     |
|  |  | 4. Amount of years requested for exemption (1-12 Years)<br><b>12 years</b>                            |                                       |

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

Extensive renovation includes some office demolition, removal of walls in the shop area, new facade constructed over existing facade and addition of two truck wells. The power in the building will be upgraded to 6,000 amp service. When completed, the company will be manufacturing junction boxes and wire harnesses for the solar and battery industry.

|   |                          |
|---|--------------------------|
| 6a. Cost of land and building improvements (excluding cost of land) .....                   | ▶ <u>\$1,295,000.00</u>  |
| * Attach list of improvements and associated costs.   |                          |
| * Also attach a copy of building permit if project has already begun.                       |                          |
| 6b. Cost of machinery, equipment, furniture and fixtures .....                              | ▶ <u>\$21,035,600.00</u> |
| * Attach itemized listing with month, day and year of beginning of installation, plus total |                          |
| 6c. Total Project Costs .....   | ▶ <u>\$22,330,600.00</u> |
| * Round Costs to Nearest Dollar   |                          |
| 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 ▶     | 1/1/11                    | 12/31/12                | ▶ <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased |
| Personal Property Improvements ▶ | 1/1/11                    | 12/31/12                | ▶ <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. No. of existing jobs at this facility that will be retained as a result of this project. **-**      ▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. **198**

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

|  |                       |
|--|-----------------------|
| a. TV of Real Property (excluding land) .....          | <u>\$1,500,000.00</u> |
| b. TV of Personal Property (excluding inventory) ..... | <u>\$0.00</u>         |
| c. Total TV .....                                      | <u>\$1,500,000.00</u> |

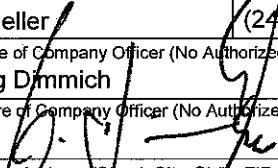
▶ 12a. Check the type of District the facility is located in:  
 Industrial Development District       Plant Rehabilitation District

▶ 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. Préparer Name<br><b>Anna Mueller</b>   | 13b. Telephone Number<br><b>(248) 284-6511</b> | 13c. Fax Number                                | 13d. E-mail Address<br><b>anna.mueller@kostal.com</b> |
| 14a. Name of Contact Person<br><b>Anna Mueller</b>  | 14b. Telephone Number<br><b>(248) 284-6511</b> | 14c. Fax Number                                | 14d. E-mail Address<br><b>anna.mueller@kostal.com</b> |
| ▶ 15a. Name of Company Officer (No Authorized Agents)<br><b>Wolfgang Dimmich</b>  |  |  |   |
| 15b. Signature of Company Officer (No Authorized Agents)<br> |  | 15c. Fax Number                                | 15d. Date<br><b>09/10/10</b>                          |
| ▶ 15e. Mailing Address (Street, City, State, ZIP Code)<br><b>350 Stephenson Hwy, Troy, MI 48083</b>   |  | 15f. Telephone Number<br><b>(248) 284-6366</b> | 15g. E-mail Address<br><b>w.dimmich@kostal.com</b>    |

**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.

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

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

| STC USE ONLY |                   |                       |                 |                     |
|--------------|-------------------|-----------------------|-----------------|---------------------|
| ▶ LUCI Code  | ▶ Begin Date Real | ▶ Begin Date Personal | ▶ End Date Real | ▶ End Date Personal |

Capital Investment of the Divisions Connectors Industrial Electronics

| <b>Capital Investment<br/>Connectors &amp; Industry Electronics</b> |                    |                    |                     |
|---|--------------------|--------------------|---------------------|
|   | <b>2010</b>        | <b>2011</b>        | <b>2012</b>         |
| Land Costs  | \$0                | \$0                | \$0                 |
| Building - New Construction   | \$0                | \$0                | \$0                 |
| Building - Purchase of Existing                                     | \$0                | \$0                | \$0                 |
| Building - Renovations  | \$400,000          | \$0                | \$0                 |
| Building - Annual Lease Cost  | \$105,000          | \$210,000          | \$580,000           |
| Building - Leasehold Improvements                                   | \$0                | \$0                | \$0                 |
| <b>Total Real Property</b>  | <b>\$505,000</b>   | <b>\$210,000</b>   | <b>\$580,000</b>    |
| Machinery & Equipment - Purchased                                   | \$1,524,000        | \$8,964,000        | \$8,636,000         |
| Machinery & Equipment - Leased                                      | \$0                | \$0                | \$0                 |
| Furniture & Fixtures - Purchased                                    | \$301,440          | \$3,600            | \$2,880             |
| Furniture & Fixtures - Leased                                       | \$0                | \$0                | \$0                 |
| Office Machinery - Purchased  | \$2,160            | \$10,800           | \$4,320             |
| Office Machinery - Leased   | \$0                | \$0                | \$0                 |
| Computers - Purchased   | \$202,880          | \$27,200           | \$24,320            |
| Computers - Leased  | \$0                | \$0                | \$0                 |
| Pollution Control Equip   | \$0                | \$0                | \$0                 |
| Special Tooling   | \$144,000          | \$720,000          | \$1,368,000         |
| Others (f.e. phone, security)                                       | \$100,000          | \$0                | \$0                 |
| Other Pers. Prop. - Purchased (Explain)                             | \$0                | \$0                | \$0                 |
| Other Pers. Prop. - Leased (Explain)                                | \$0                | \$0                | \$0                 |
| <b>Total Personal Property</b>                                      | <b>\$2,274,480</b> | <b>\$9,725,600</b> | <b>\$10,035,520</b> |
| <b>Total Capital Investment</b>                                     | <b>\$1,905,000</b> | <b>\$3,730,000</b> | <b>\$730,000</b>    |

|              |                    |                     |
|--------------|--------------------|---------------------|
| <b>Total</b> | <b>\$1,295,000</b> | <b>\$22,035,600</b> |
|--------------|--------------------|---------------------|

# KOSTAL OF AMERICA, INC.

128558

City of Rochester Hills  
1000 Rochester Hills Drive  
Rochester Hills MI 48309

Page 1  
Date 08/31/2010  
Document 2300808  
Supplier-No. 714147

We have settled the items listed below with the enclosed check for payment 2300808, subject to the goods and services supplied and the invoice therefore being in order.

| Your Document           | Our Document | Date       | Cash discount | Gross amount |
|-------------------------|--------------|------------|---------------|--------------|
|                         | 2300808      | 08/31/2010 | 0.00          | 1,000.00     |
| City of Rochester Hills |              |            |               |              |
| Sum total:              |              |            | 0.00          | 1,000.00     |

| Document | Currency | Amount         |
|----------|----------|----------------|
| 2300808  | USD      | *****1,000.00* |

KOSTAL OF AMERICA, INC.  
350 STEPHENSON HWY.  
TROY, MI 48063

MERRILL LYNCH  
BANK ONE, COLUMBUS, NA  
COLUMBUS, OHIO 43271  
25-80-440

128558

PAY  
TO THE  
ORDER  
OF

\*\*\* ONE THOUSAND\*\*\*

City of Rochester Hills  
1000 Rochester Hills Drive  
Rochester Hills MI 48309

DATE

AMOUNT

08/31/2010

\*\*\*\*\*1,000.00\*

AUTHORIZED SIGNATURE

⑈ 128558 ⑈ ⑆044000804⑆ 040801683668⑈

## **Company History:**

The KOSTAL Group is an independent, family owned Business Entity. KOSTAL was founded in 1912 in the German town of Luedenscheid, where the headquarters are still located.

The Group's main activities included the development and manufacturing of technologically advanced electronic and electromechanic (mechatronic) products. Worldwide important industrial companies, including the entire world's leading automotive manufacturers and their suppliers feature in the Group's customer base.

To provide the customers with the international experience of a global company structure, while maintaining the flexibility of a medium-size family organization, the Group has 31 locations worldwide, with a work-force of about 10,000 people, ensuring competent and flexible service on a local basis.

The KOSTAL Group is divided into four main Business Divisions: Automotive Electrics, Industrial Electronics, Connectors and Test Equipment. The Divisions Connectors and Industrial Electronics are the areas affected by the new project.