

**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 has applied for an exemption under the act to establish a technical center in Rochester Hills and the request is in conjunction with MEGA tax credits which were 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 30, 2011 and expiring on December 30, 2013, subject to the company and City entering into an agreement that identifies the requirements of both parties and provides for a tax repayment provision.

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

1. The application for personal property tax exemption is approved for a period of 2 years effective on Dec. 30, 2011 and expiring on December 30, 2013 for new personal property, subject to approval by the State Tax Commission and the conditions stated in this Agreement. Bright Automotive understands that only new personal property acquired and subject to taxation is eligible for the exemption.
2. In the event Bright Automotive completely ceases doing business in the facility or lays off more than 50 percent of the work force located there for a period of six months or more prior to the expiration of the exemption, unless the cessation or lay off is due to one or more of the following: an act of nature (including but not limited to a tornado or earthquake), eminent domain, fire, a criminal act, energy shortage, act of terrorism or war, or other catastrophic event, then and in such event the remaining term of the exemption shall at the option of the City be null and void, in which case all ad valorem taxes exempted through the date of termination shall become due and payable to the taxing units to which they pertain upon demand by the City. Notwithstanding the foregoing, the City shall not terminate the exemption without having given written notice of its intent to do so to Bright Automotive, and the opportunity to be heard before the City Council at a subsequent regular meeting of the City Council. Failure by Bright Automotive to pay said exempted taxes within 120 days of demand by the City shall result in the City placing a lien upon all properties covered by the exemption on the tax rolls of the City and/or County, which lien shall not be discharged until the payment thereof and which lien may be enforced in the same manner as delinquent property taxes.
3. Bright Automotive shall notify the City of Rochester Hills in writing within 72 hours of the date in which the facility has been closed or more than 50 percent of its employees have been laid off within the meaning of Paragraph 2, above. 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 exempted taxes in addition to the principal amounts.
4. Applicant Bright Automotive has represented that at least 204 jobs will be created during the initial lease term of five years. For purposes of this agreement, a "new" job means

either a new employee on the company's payroll, an employee transferred to the facility from outside of Rochester Hills, or a combination of both. In the supplementary packet provided to the City entitled "Project Earth HQ PSF External (08-31-10) (2).pdf", Bright Automotive has indicated an initial investment of \$9,120,100 in personal property and special tooling to be located in the facility by the end of the second year of its operation, or December 31, 2012. This investment shall include the cost of machinery and equipment.

5. If within five years of occupancy Bright Automotive has not employed the number of persons set forth in Paragraph 4, or has not made a minimum investment of \$9,120,100 in the facility by December 31, 2012, the City shall be entitled to repayment of some or all exempted taxes under the terms and conditions defined in Section 2.
6. No later than the 30th day of January each year, the company shall submit a report to the City Assessor stating:
  - a. Current number of employees. If the current number of employees is less than the number projected in the application, an explanation for the reduced number shall be included.
  - b. The estimated investment as provided for in "Project Earth HQ PSF External (08-31-10) (2).pdf and the actual cumulative investment made.
7. The applicant, Bright Automotive, agrees to remain in the City of Rochester Hills for the initial term of the lease to retain the benefits of the abated taxes, unless permission to relocate is granted by the City Council. Failure to obtain such permission shall result in the right of the City to recapture from applicant all taxes exempted through the date of relocation. The taxes 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 Section 2.
8. The covenants herein shall bind the heirs, designees, legatees, assigns and successors of the respective parties. The laws of the State of Michigan shall govern this contract. 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.
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 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)

**BRIGHT AUTOMOTIVE**

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: \_\_\_\_\_