

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) 373-2408.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	▶ Date received by Local Unit NOVEMBER 13, 2013
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) Rayconnect, Inc.	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3089	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 2350 Austin Ave., Ste 100, Rochester Hills, MI 48309	▶ 1d. City/Township/Village (indicate which) City of 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 School District	▶ 3b. School Code 63070
4. Amount of years requested for exemption (1-12 Years) 12 years after completion of construction		

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.

The current facility houses the administrative offices, manufacturing and warehouse operations for the company. A manufacturing footprint expansion is required due to the organic growth of the company. The planned expansion will include the injection molding, assembly, raw materials, work in progress, finished goods warehouse and shipping areas. Some existing equipment will be upgraded and new machinery and equipment will be placed in service as set forth in Attachment 2.

6a. Cost of land and building improvements (excluding cost of land).....	▶ \$2,500,000.00
* 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.....	▶ \$9,418,271.00
* Attach itemized listing with month, day and year of beginning of installation, plus total	
6c. Total Project Costs.....	▶ \$11,918,271.00
* 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.

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements ▶	1/1/14	12/31/14	▶ <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased
Personal Property Improvements ▶	5/13/13	12/31/15	▶ <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. **97**

▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. **60**

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)

b. TV of Personal Property (excluding inventory)

c. Total TV

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

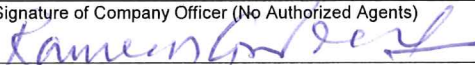
▶ 12b. Date district was established by local government unit (contact local unit)
6/23/08

▶ 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 Eileen Egan	13b. Telephone Number (440) 385-4349	13c. Fax Number (248) 636-2884	13d. E-mail Address eileen.egan@duffandphelps.com
14a. Name of Contact Person Ramesh Gaddam	14b. Telephone Number (248) 537-1706	14c. Fax Number (248) 537-3224	14d. E-mail Address rg@rayconnect.com
▶ 15a. Name of Company Officer (No Authorized Agents) Ramesh Gaddam			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number (248) 537-3224	15d. Date NOV 12, 2013
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 2350 Austin Ave., Ste 100, Rochester Hills, MI 48309		15f. Telephone Number (248) 537-1706	15g. E-mail Address rg@rayconnect.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.

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

Attachment 1 - Legal Description of Property

2350 Austin Ave, Rochester Hills, MI

Parcel 70-15-29-452-036

T3N, R11E, SEC 29 SUPERVISOR'S PLAT NO 9 LOTS 1 & 2 MORE
PARTICULARLY DESC AS BEG AT SW COR OF 'SD' LOT 1, TH N 03-
02-01 W 354.65 FT, TH N 23-06-22 W 193.48 FT, TH N 02-58-23 W 28.52
FT, TH N 83-01-04 E 801.63 FT, TH S 02-26-26 E 588.59 FT, TH S 84-29-
00 W 727.95 FT TO BEG EXC SLY 70 FT OF LOT 1 MORE
PARTICULARLY DESC AS BEG AT SW LOT COR, TH N 01-01-10 E
125.12 FT, TH N 88-32-10 E 348.61 FT, TH S 01-00-54 W 125.12 FT, TH
S 88-32-10 W 348.62 FT TO BEG, ALSO EXC PART OF LOT 2 MORE
PARTICULARLY DESC AS BEG AT SE COR OF 'SD' LOT 2, TH S 88-
32-10 W 379.32 FT, TH N 01-00-54 E 70.07 FT, TH
N 88-32-10 E 201.68 FT, TH ALG CURVE TO RIGHT, RAD 293 FT,
CHORD BEARS S 70-07-06 E 187.57 FT, DIST OF 190.93 FT, TH S 01-
36-45 W 1.73 FT TO BEG 12-18-08 FR 035

Attachment 2 - Personal Property Listing and Affidavit

Beginning date of Construction:

May 13, 2013

Completion date of construction:

December 31, 2015

Personal Property Asset Listing

EQUIPMENT

INSTALLATION DATE

COSTS

MATERIAL BIN / 211101	5/31/2013	\$ 2,175
GE FRIDGE CONN CTR ON COMERICA/211203	5/31/2013	\$ 1,573
AVAYA PHONE SYSTEM / ARCNA PO	5/31/2013	\$ 95,282
DOCK STATIONS AND SVC AGRMENT / 211211	5/31/2013	\$ 3,655
RAYPRO FOR 637 639 642 / 210863	5/31/2013	\$ 11,191
057755 Ewikon Manifold Rebuild / 210881	5/31/2013	\$ 21,359
2d/3d Mold Design 214509 / 209278	5/31/2013	\$ 66,279
Complete 2d/3d mold / 209277	5/31/2013	\$ 12,740
Production Mold Build / 210025	5/31/2013	\$ 123,527
VALVE GATE HOT RUNNER SYS / 210547	5/31/2013	\$ 25,783
Valve Gated Hot Runner / 210147	5/31/2013	\$ 31,919
7.89 SIDE LOAD TEST PIN / 211222	6/30/2013	\$ 5,950
110T MOLDING MACHINE-B04-211363/210835	7/31/2013	\$ 138,040
165T MOLDING MACHINE-B11-211363/210835	7/31/2013	\$ 180,340
LCA 30 PRESS DRYER / 211264	7/31/2013	\$ 5,503
POWER TOWER MOLDING MACHINES / 211167	7/31/2013	\$ 6,000
STA 11 TRANSFER MECH / 210899	7/31/2013	\$ 32,406
reb brown NHBR tool / 210224	7/31/2013	\$ 4,255
PVT TEST PIN / 210811	8/1/2013	\$ 14,069
165T MOLDING MACHINE-A13-211363/210835	9/1/2013	\$ 319,480
165T MOLDING MACHINE-B12-211363/210835	9/1/2013	\$ 319,480
675 SEMI-ASMY MACHINE-15.82 P2L/210805	9/1/2013	\$ 1,008,266
Next Gen P2L Upgrades- Molds	8/1/2014	\$ 100,000
Mold Rack	8/1/2014	\$ 100,000
648 LW bowl and 9.49 Fixture Upgrade	8/1/2014	\$ 72,000
Test Lab Equipment-Hardness Tester, Microscope	8/1/2014	\$ 50,000
Test Lab Pins, Fixtures Etc.	8/1/2014	\$ 30,000
Ice Cleaning Machine -P2L Molds	9/1/2014	\$ 27,000
Molding Chutes x5	9/1/2014	\$ 25,000
Valve Gate Controller &Manifold	9/1/2014	\$ 45,000
EOAT and Water conveyor for P2L	9/1/2014	\$ 40,000
EOAT for 2Button Componets	9/1/2014	\$ 25,000
ToolRoom Equipment	10/1/2014	\$ 15,000
Packaging Station	10/1/2014	\$ 15,000
9.49 180 deg P2L Body Tool	10/1/2014	\$ 120,000
7.89 90 deg P2LBody Tool	10/1/2014	\$ 120,000

18.9 P2L Locker Mold,EOAT, Assy	10/1/2014	\$	90,000
675/9 Style Assembly Machine	11/1/2014	\$	900,000
2x 165T Injection Machine	11/1/2014	\$	500,000
1-165T Injection Machine	11/1/2014	\$	250,000
1-110T Injection Machine	11/1/2014	\$	210,000
O-ring Assembly -7,89 QC	11/1/2014	\$	170,000
Motan Dryer System Upgrade	12/1/2014	\$	100,000
Metal P2L -9.49 Pallets, Locker	12/1/2014	\$	90,000
637/9 Robots	12/1/2014	\$	90,000
637/9 Laser Upgrade - M2L	12/1/2014	\$	45,000
622 Assy Machine Bagger	12/1/2014	\$	20,000
RJG-Edart Project	12/1/2014	\$	25,000
Warehouse	1/1/2015	\$	50,000
Material Handling & Tool Room	2/1/2015	\$	100,000
P2L New Gen Molds	3/1/2015	\$	450,000
Molding Machines	4/1/2015	\$	1,000,000
Assembly Machine	5/1/2015	\$	1,350,000
Molds for additional Volume	6/1/2015	\$	240,000
Mold Refurb	7/1/2015	\$	150,000
Equipment Replacement -Assy & Mold	8/1/2015	\$	300,000
RJG-Edart Project	9/1/2015	\$	75,000

Total Costs:

\$ 9,418,271

**INDUSTRIAL FACILITIES EXEMPTION APPLICATION
AFFIDAVIT OF PROJECT BEGIN DATES**

I swear and affirm by my signature below that the real property project beginning of construction date and/or personal property project installation begin date, associated with the application for Industrial Facilities Exemption Certificate under PA 198 of 1974, as amended, in the amount of \$11,918,271.00, filed with the city/township/village of Rochester Hills, for a facility located at 2350 Austin Ave, Rochester Hills, MI 48309, are as follows:

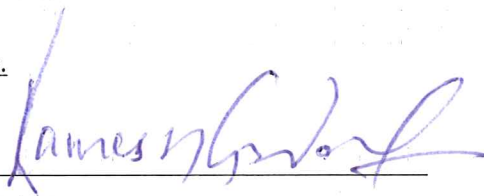
Real Property Project Begin Date: 1/1/2014

Personal Property Project Installation Date: 5/13/2013

Applicant Name:

Rayconnect, Inc.

Signature: _____



Printed Name: Ramesh Gaddam

Title: President & CEO

Rayconnect, Inc.
Michigan Industrial Facilities Tax Exemption Application

Real Property Improvement Description	Beginning Date of Installation	Costs/Expected Costs
Fees & Insurance	3/1/2014	30,000
Sitework	4/1/2014	350,000
Concrete	5/1/2014	150,000
Metals	6/1/2014	375,000
Wood & Plastic	7/1/2014	23,000
Thermal & Moisture Protection	7/1/2014	250,000
Doors & Windows	7/1/2014	28,000
Finishes	9/1/2014	81,000
Specialities		
Equipment	8/1/2014	48,000
Mechanical	6/1/2014	450,000
Electrical	7/1/2014	400,000
Process Fee		
General Conditions	3/1/2014	200,000
Construction Fee/Risk		
Construction Management Fee	3/1/2014	115,000
Tenant Fitout Allowance		NA
Material Cost Surcharge		NA
Subtotal Bldg Construction		2,500,000
Other		
Architectural & Engineering Fees	1/1/2014	140,000
Inspecting Engineer	4/1/2014	12,000
Legal Fees	1/1/2014	
Appraisal Fees	1/1/2014	
Real Estate Tax	1/1/2014	
Survey Fee	1/1/2014	
Miscellaneous Soft Costs	1/1/2014	
Financing Costs	1/1/2014	
Development Fee/Risk	1/1/2014	
Development Fee	1/1/2014	
Subtotal Other		152,000
TOTAL REAL PROPERTY		\$ 2,652,000

Rayconnect, Inc.
Michigan Industrial Facilities Tax Exemption Application

Real Property Improvement Description	Beginning Date of Installation	Costs/Expected Costs
Fees & Insurance	3/1/2014	30,000
Sitework	4/1/2014	350,000
Concrete	5/1/2014	150,000
Metals	6/1/2014	375,000
Wood & Plastic	7/1/2014	23,000
Thermal & Moisture Protection	7/1/2014	250,000
Doors & Windows	7/1/2014	28,000
Finishes	9/1/2014	81,000
Specialities		
Equipment	8/1/2014	48,000
Mechanical	6/1/2014	450,000
Electrical	7/1/2014	400,000
Process Fee		
General Conditions	3/1/2014	200,000
Construction Fee/Risk		
Construction Management Fee	3/1/2014	115,000
Tenant Fitout Allowance		NA
Material Cost Surcharge		NA
Subtotal Bldg Construction		2,500,000
Other		
Architectural & Engineering Fees	1/1/2014	140,000
Inspecting Engineer	4/1/2014	12,000
Legal Fees	1/1/2014	
Appraisal Fees	1/1/2014	
Real Estate Tax	1/1/2014	
Survey Fee	1/1/2014	
Miscellaneous Soft Costs	1/1/2014	
Financing Costs	1/1/2014	
Development Fee/Risk	1/1/2014	
Development Fee	1/1/2014	
Subtotal Other		152,000
TOTAL REAL PROPERTY		\$ 2,652,000