

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) Magna Electronics		▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3679	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 1955 Enterprise Drive, Rochester Hills, MI 48309		▶ 1d. 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) 8 years			

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.

See attached.

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.	▶ <u>\$285,000.00</u> 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	▶ <u>\$4,442,014.00</u> Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	▶ <u>\$4,727,014.00</u> 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 ▶	5/10/09	5/9/11	▶ <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased
Personal Property Improvements ▶	5/5/09	5/4/11	▶ <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

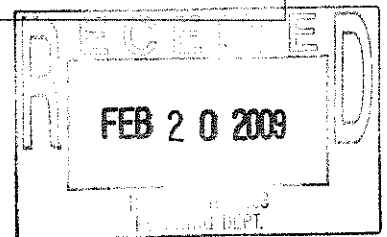
▶ 9. No. of existing jobs at this facility that will be retained as a result of this project. 75	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. 73
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11. Rehabilitation applications only: Complete a, b and c of 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

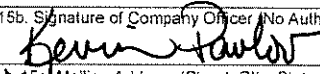
▶ 12b. Date district was established by local government unit (contact local unit) ▶ 12c. Is this application for a speculative building (Sec. 3(8))?
 Yes No



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 Seema Swetlin	13b. Telephone Number (216) 328-2162	13c. Fax Number (248) 230-4183	13d. E-mail Address seema.swetlin@duffandphelps.com
14a. Name of Contact Person Frank Ervin	14b. Telephone Number (248) 265-4435	14c. Fax Number (248) 606-0601	14d. E-mail Address frank.ervin@magnaelectronics.com
▶ 15a. Name of Company Officer (No Authorized Agents) Kevin Pavlov			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number (248) 606-0601	15d. Date 2-19-2009
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 1613 Star Batt Drive, Rochester Hills, MI 48309		15f. Telephone Number (248) 265-4111	15g. E-mail Address kevin.pavlov@magnaelectronics.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

Magna Electronics
Application for Industrial Facilities Exemption Certificate

Response to Question 5: Thoroughly describe the project for which the 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.

Background

Magna Electronics is a subsidiary of Magna International. Magna International is the most diversified automotive supplier in the world. Magna International designs, develops and manufactures automotive systems, assemblies, modules and components, and engineers and assembles complete vehicles, primarily for sale to original equipment manufacturers of cars and light trucks in North America, Europe, Asia, South America and Africa. Its capabilities include the design, engineering, testing and manufacture of automotive interior systems; seating systems; closure systems; metal body and structural systems; vision systems; electronic systems; exterior systems; powertrain systems; roof systems; as well as complete vehicle engineering and assembly.

Magna Electronics manufactures a range of electronics products, including Driver Assistance products such as reverse assist cameras, ultrasonic park assist systems, lane departure warning systems, and automatic nightbeam control, in addition to engine electronics, body electronics, brushless motors and power controllers.

BluWāv Systems LLC is a developer and supplier of electric propulsion and energy management systems for Hybrid Electric Vehicles (HEV), Plug-in Hybrid Electric Vehicles (PHEV), and Battery Electric Vehicles (BEV). BluWāv focuses on incorporating advanced technology into its products in each segment and creating an optimal combination of products to form complete propulsion systems. BluWāv's mission is to produce societal benefits through electrification and hybridization of propulsion systems thereby reducing dependence on oil and reducing airborne pollution. BluWāv's vision is to become a respected developer and supplier of hybrid electric propulsion systems worldwide.

On October 23, 2008, after successful collaboration with BluWāv in the development of a prototype Battery Electric Vehicle, Magna Electronics announced the acquisition of the assets of BluWāv Systems LLC. This acquisition was made to allow BluWāv to enhance Magna Electronics' position in developing and supplying components and systems to the emerging automotive market for electric and hybrid vehicles.

Proposed Use of the Facility

This project is being undertaken to integrate the alternative vehicle operations of BluWāv into Magna Electronics and to expand the alternative vehicle resources for design, development, testing, implementation and commercialization of new propulsion and energy systems product technologies for the automotive industry.

Real Property

Property will be leased for this project. The total real property investment for leasehold improvements is \$285,000, and includes mechanical and lighting improvements as well as the build out of a special lab.

Personal Property

New machinery and equipment, special tooling, test lab equipment and furniture and fixtures will be purchased and installed at this facility. The total new personal property investment is \$4,442,014. Therefore, the total real and personal property capital investment in this project is \$4,727,014.

Magna Electronics
Question 6a - Real Property Listing

Description	Beginning Date of Installation	2009 Projected Cost	2010 Projected Cost
Leasehold Improvement (Building)			
Mechanical	6/10/2009	\$ 150,000.00	\$ -
Lighting	5/10/2009	\$ 17,500.00	\$ 17,500.00
Special Lab	6/1/2010	\$ -	\$ 100,000.00
	Total by Year	\$ 167,500.00	\$ 117,500.00
		TOTAL REAL PROPERTY COSTS	\$ 285,000.00

Magna Electronics
Question 6b - Personal Property Listing

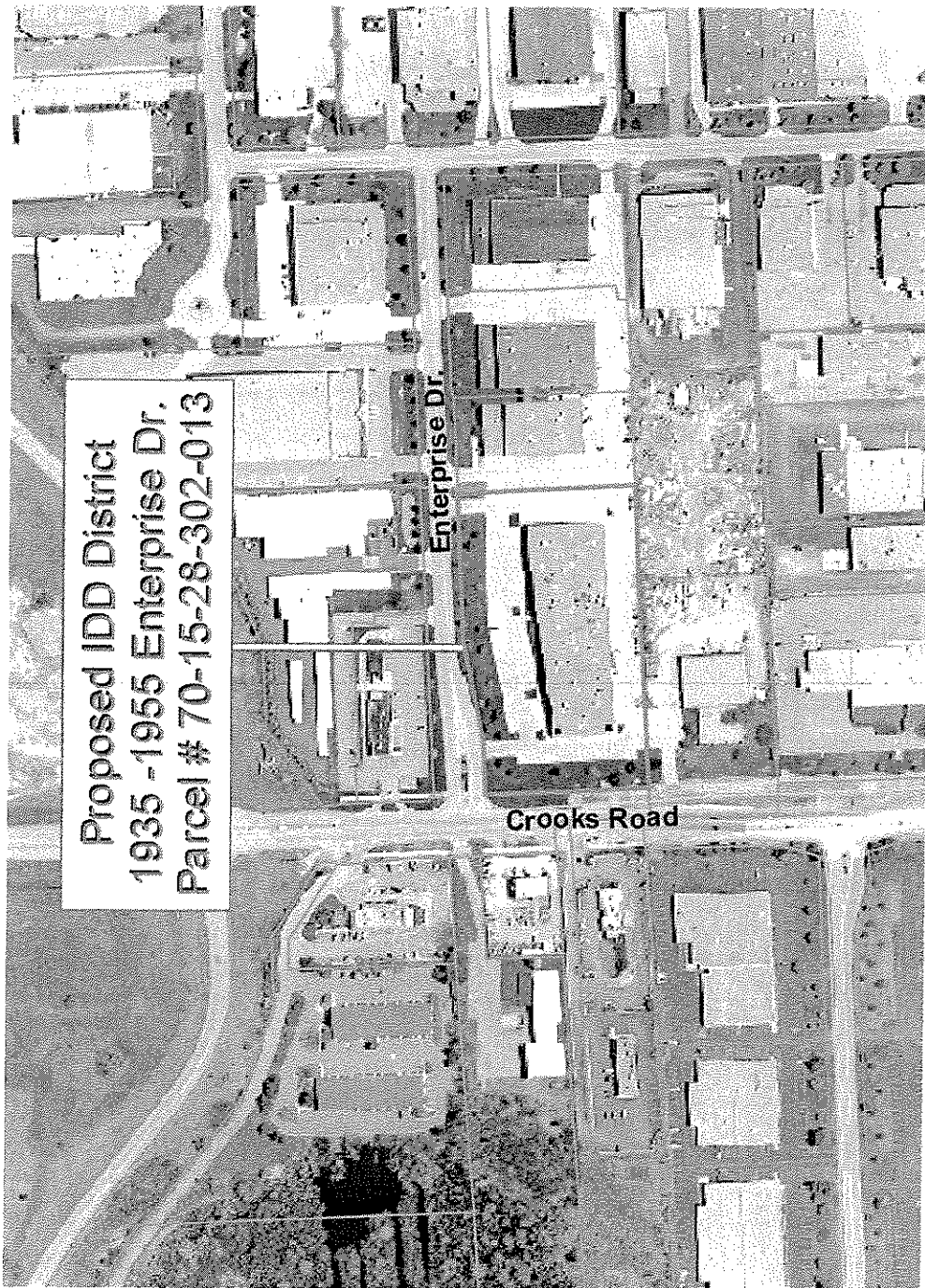
Description	Beginning Date of Installation	2009 Projected Cost	2010 Projected Cost
Computer Software			
SolidWorks (upgrades)	5/30/2009	\$ 20,000.00	\$ -
Matlab/SimuLINK	5/30/2009	\$ 30,000.00	\$ -
PDMWE	5/30/2009	\$ 29,770.00	\$ -
ANSOFT	5/30/2009	\$ 20,000.00	\$ -
MotorCAD	5/30/2009	\$ 3,000.00	\$ -
COSMOS WORKS	5/30/2009	\$ 28,785.00	\$ -
FLOW WORKS	5/30/2009	\$ 27,140.00	\$ -
OrCAD Capture	5/30/2009	\$ 1,729.00	\$ -
OrCAD Layout & Capture	5/30/2009	\$ 6,995.00	\$ -
OrCAD Layout, Capture, pSpice	5/30/2009	\$ 9,995.00	\$ -
Finance	5/30/2009	\$ -	\$ -
ADAMS	5/30/2009	\$ 30,000.00	\$ -
Altium ECAD	5/30/2009	\$ 68,000.00	\$ -
Catia	5/30/2009	\$ 48,000.00	\$ -
			\$ -
			\$ -
	Total	\$ 323,414.00	\$ -
	Section Total	\$ 323,414.00	
Computer Hardware			
Servers	5/15/2009	\$ 50,000.00	\$ -
UPS	5/15/2009	\$ 10,000.00	\$ -
Routers	5/15/2009	\$ 50,000.00	\$ -
Cabling	5/15/2009	\$ 100,000.00	\$ -
Workstations/Laptops	12/15/2009	\$ 95,000.00	\$ -
			\$ -
			\$ -
	Total	\$ 305,000.00	\$ -
Telecom			
Telephones	5/5/2009	\$ 20,000.00	\$ 20,000.00
Headsets	5/5/2009	\$ 5,000.00	\$ -
Speakerphones	5/5/2009	\$ 5,000.00	\$ 10,000.00
			\$ -
	Yearly Total	\$ 30,000.00	\$ 30,000.00
	Section Total	\$ 60,000.00	
AV Equipment			
Lobby Display	6/30/2009	\$ 4,000.00	\$ -
TV's	6/30/2009	\$ 3,500.00	\$ -
DVD Player's	6/30/2009	\$ 2,100.00	\$ -
			\$ -
	Total	\$ 9,600.00	\$ -

Magna Electronics
Question 6b - Personal Property Listing

Description	Beginning Date of Installation	2009 Projected Cost	2010 Projected Cost
Office Furniture			
Work Stations	5/15/2010	\$ -	\$ 85,000.00
Filing Cabinets	5/15/2010	\$ -	\$ 5,000.00
Shelving	5/15/2010	\$ -	\$ 5,000.00
Conferece Room	5/15/2010	\$ -	\$ 10,000.00
Lunch Room	5/15/2010	\$ -	\$ 10,000.00
	Total	\$ -	\$ 115,000.00
Machinery and Equipment			
CANalyzer	12/1/2009	\$ 37,500.00	\$ -
CANape	12/1/2009	\$ 51,000.00	\$ -
20 Ton C Press	12/1/2009	\$ 44,500.00	\$ -
Spectrum Analyzer	12/15/2010	\$ -	\$ 10,000.00
Thermal Chamber	12/15/2010	\$ -	\$ 80,000.00
MIYACHI UNITEK CORP	12/15/2010	\$ -	\$ 210,000.00
Thermal Shock Test Stand	12/1/2009	\$ 1,150,000.00	\$ -
NVH Equipment	12/15/2010	\$ -	\$ 250,000.00
Vibration Table	12/15/2010	\$ -	\$ 180,000.00
Environmental	12/15/2010	\$ -	\$ 60,000.00
Tools	12/1/2009	\$ 40,000.00	\$ -
Dyno 500HP	12/15/2010	\$ -	\$ 1,300,000.00
Core Propulsion Systems	12/15/2010	\$ -	\$ 216,000.00
	Yearly Total	\$ 1,323,000.00	\$ 2,306,000.00
	Section Total	\$ 3,629,000.00	
	Total by Year	\$ 1,991,014.00	\$ 2,451,000.00
TOTAL PERSONAL PROPERTY COSTS		\$ 4,442,014.00	

Legal Description

Lots 1, 2 and the West 96' of Lot 3 of "T.A.N. Industrial Park" a subdivision of part of the North $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 28, Town 3 North, Range 11 East, City of Rochester Hills, Oakland County, Michigan, according to the Plat thereof as recorded in Liber 184 of Plats, Pages 16 through 18 of the Oakland County Records.



Proposed IDD District
1935 -1955 Enterprise Dr.
Parcel # 70-15-28-302-013

Enterprise Dr.

Crooks Road



First Industrial Realty Trust, Inc.
2000 Loan Center, 2030
Southfield, MI 48075
T: (248) 357-4000
F: (248) 357-0352
www.firsindustrial.com

February 19, 2009

Mr. Bryan K. Barnett
Mayor
City of Rochester Hills
1000 Rochester Hills Dr.
Rochester Hills, MI 48309

Dear Mr. Barnett:

First Industrial Realty Trust Inc. formally requests that the City of Rochester Hills establish an Industrial Development District at 1935-1955 Enterprise Dr., also known as parcel number 70-15-28-302-013. For your reference, you will find enclosed a legal description and site map that defines the location of the proposed district.

Your prompt attention to this matter is greatly appreciated.

Sincerely,

FIRST INDUSTRIAL REALTY TRUST, INC.

A handwritten signature in black ink, appearing to read 'John E. Strabel'.

John E. Strabel
Marketing/Leasing Director

JES/km

Enclosure