

CITY OF MUSKEGON

CITY COMMISSION MEETING

SEPTEMBER 25, 2012

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

- ❑ CALL TO ORDER:
- ❑ PRAYER:
- ❑ PLEDGE OF ALLEGIANCE:
- ❑ ROLL CALL:
- ❑ HONORS AND AWARDS:
- ❑ INTRODUCTIONS/PRESENTATION:
- ❑ CONSENT AGENDA:
 - A. Approval of Minutes. CITY CLERK
 - B. Youth Basketball League and Open Gym Proposal – Muskegon Public Schools. PLANNING & ECONOMIC DEVELOPMENT
 - C. Consideration of Bids for: B-247 City Hall Parking Lots (Jefferson Street) and Department of Public Works Lot. ENGINEERING
 - D. Masonry Services for 1500 Leahy House Repairs. COMMUNITY & NEIGHBORHOOD SERVICES
- ❑ PUBLIC HEARINGS:
 - A. Request for Exemption of New Personal Property (PA 328) – Alloy Resources Corp. PLANNING & ECONOMIC DEVELOPMENT
 - B. Request for Exemption of New Personal Property (PA 328) – Engineered Aluminum Castings, Inc. PLANNING & ECONOMIC DEVELOPMENT
 - C. Request for an Industrial Facilities Exemption Certificate – Engineered Aluminum Castings, Inc. PLANNING & ECONOMIC DEVELOPMENT
 - D. Request for an Industrial Facilities Exemption Certificate – Muskegon Castings Corp. PLANNING & ECONOMIC DEVELOPMENT
- ❑ COMMUNICATIONS:
- ❑ CITY MANAGER'S REPORT:

❑ UNFINISHED BUSINESS:

❑ NEW BUSINESS:

A. 2013 National League of Cities Membership Dues. CITY CLERK

❑ ANY OTHER BUSINESS:

❑ PUBLIC PARTICIPATION:

- *Reminder: Individuals who would like to address the City Commission shall do the following:*
- Fill out a request to speak form attached to the agenda or located in the back of the room.
- Submit the form to the City Clerk.
- Be recognized by the Chair.
- Step forward to the microphone.
- State name and address.
- Limit of 3 minutes to address the Commission.
- (Speaker representing a group may be allowed 10 minutes if previously registered with City Clerk.)

❑ CLOSED SESSION:

❑ ADJOURNMENT:

ADA POLICY: THE CITY OF MUSKEGON WILL PROVIDE NECESSARY AUXILIARY AIDS AND SERVICES TO INDIVIDUALS WHO WANT TO ATTEND THE MEETING UPON TWENTY FOUR HOUR NOTICE TO THE CITY OF MUSKEGON. PLEASE CONTACT ANN MARIE CUMMINGS, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TTY/TDD DIAL 7-1-1 TO REQUEST A REPRESENTATIVE TO DIAL (231) 724-6705.

Date: September 25, 2012
To: Honorable Mayor and City Commissioners
From: Ann Marie Cummings, City Clerk
RE: Approval of Minutes

SUMMARY OF REQUEST: To approve minutes of the September 10th Commission Worksession Meeting and the September 11th City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

City of Muskegon
City Commission Worksession
September 10, 2012
City Commission Chambers
5:30 PM

MINUTES

2012-67

Present: Commissioners Gawron, Spataro, German, Wierengo, Hood, Turnquist, and Markowski.

Absent: None.

Authorization to Submit Bids to HUD for the Purchase of Homes Offered to Government Agencies.

This is a request to offer bids to HUD via their website for HUD homes available to government agencies. Specifically, homes located in East Muskegon, Glenside, Campbell and Bluffton that can be rehabilitated and sold to income eligible households through the City of Muskegon Community and Neighborhood Services Department Homebuyers Program.

This item has been placed on the September 11, 2012 Commission Meeting for consideration.

Special Event Request – “City of the Dead” Tour at Evergreen Cemetery – October 26-27, 2012.

Harbor Unitarian Universalist Congregation is requesting permission to hold their third annual historical tour/re-enactment at Evergreen Cemetery on October 26 & 27, 2012.

This item has been placed on the September 11, 2012 Commission Meeting for consideration.

Next Michigan – Appointments to Next Michigan Board.

On August 22, 2012, the Michigan Strategic Fund (MSF) Board of Directors approved the designation of the West Michigan Economic Partnership (WMEP) as a Next Michigan Development Corporation. Each of the seven units of government who are part of the designation (including the City of Muskegon and Muskegon County) must appoint a board member and an alternate board member. The WMEP board member will attend the meeting and vote on matters that come before the Board. However, all meetings are open to the public and any item affecting the City of Muskegon will first be brought to the City Commission for approval (i.e., budget items that affect the City, incentives provided to developers/businesses, the areas designated for incentives, etc.).

Staff recommends appointing Cathy Brubaker-Clarke, Director of Community & Economic Development as the City of Muskegon WMEP Board Member and Mike Franzak, Zoning Administrator as the City of Muskegon WMEP Board Member alternate member.

This item has been placed on the September 11, 2012 Commission Meeting for consideration.

Adjournment.

Motion by Turnquist, seconded by Hood to adjourn at 6:25 p.m.

MOTION PASSES.

**Ann Marie Cummings, MMC
City Clerk**

CITY OF MUSKEGON

CITY COMMISSION MEETING

SEPTEMBER 11, 2012

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, September 11, 2012.

Mayor Gawron opened the meeting with a prayer from Reverend Bill Freeman from the Harbor Unitarian Universalist Congregation after which the Commission and public recited the Pledge of Allegiance to the Flag.

Mayor Gawron asked for a moment of silence in remembrance of 9-11-2001.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Gawron, Vice Mayor Lawrence Spataro, Commissioners Lea Markowski, Eric Hood, Willie German, Sue Wierengo, and Byron Turnquist, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Cummings.

2012-68 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes of the August 28th City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Certification of MERS Representatives. FINANCE

SUMMARY OF REQUEST: The MERS plan document provides that "the governing body for each municipality shall certify the names of two delegates to the Annual Meeting. One delegate shall be a member who is an officer of the municipality appointed by the governing body of the municipality. The other delegate shall be a member who is not an officer of the municipality, elected by the member officer/employees of the municipality."

The City's employee units have agreed to a rotating system (based on date of joining MERS) to select one official employee representative. This year the official employee representative attending the MERS conference will be

Steve Teunis (Water Filtration Superintendent) from the non-union employee group.

It is recommended that Elizabeth Lewis (Assistant Finance Director) be designated as the City's employer delegate.

FINANCIAL IMPACT: Registration for the MERS conference in Grand Rapids is \$200 per person. Additionally, mileage and related costs will be incurred.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Certification of Elizabeth Lewis and Steve Teunis to be the City's officer and employee delegates at the MERS annual meeting in Grand Rapids, on October 3-5.

C. Consumers Energy Streetlighting Contract. CITY MANAGER

SUMMARY OF REQUEST: To approve a new streetlighting contract with Consumers Energy.

FINANCIAL IMPACT: The City has budgeted \$745,000 for streetlighting.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the contract and authorize the Mayor and Clerk to execute it.

D. Authorization to Submit Bids to HUD for the Purchase of Homes Offered to Government Agencies. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To offer bids to HUD via their website for HUD homes available to government agencies. Specifically, homes located in East Muskegon, Glenside, Campbell and Bluffton that can be rehabilitated and sold to income eligible households through the City of Muskegon Community and Neighborhood Services Department Homebuyers Program.

FINANCIAL IMPACT: Bid offers can be lower when eligible to government agencies and non-profits.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize the director of Community and Neighborhood Services the ability to bid on homes owned by HUD in the neighborhoods of Campbell, East Muskegon, Glenside and Bluffton for the City's Homebuyers Program 2013.

E. Next Michigan – Appointments to Next Michigan Board. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: On August 22, 2012, the Michigan Strategic Fund (MSF) Board of Directors approved the designation of the West Michigan Economic Partnership (WMEP) as a Next Michigan Development Corporation. Each of the seven units of government who are part of the designation (including the

City of Muskegon and Muskegon County) must appoint a board member and an alternate board member. The WMEP board member will attend the meetings and vote on matters that come before the Board. However, all meetings are open to the public and any item affecting the City of Muskegon will first be brought to the City Commission for approval (i.e., budget items that affect the City, incentives provided to developers/businesses, the areas designated for incentives, etc.).

FINANCIAL IMPACT: None at this time. However, the WMEP Board will develop a budget, with funding coming from each entity and/or the property owners to be included in the identified improvement areas.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To appoint Cathy Brubaker-Clarke, Director of Community & Economic Development as the City of Muskegon WMEP Board Member and Mike Franzak, Zoning Administrator as the City of Muskegon alternate member.

Motion by Commissioner Wierengo, second by Commissioner Hood to approve the Consent Agenda as presented.

ROLL VOTE: Ayes: Gawron, Hood, Spataro, German, Wierengo, Turnquist, and Markowski

Nays: None

MOTION PASSES

2012-69 PUBLIC HEARINGS:

A. Community & Neighborhood Services Department Consolidated Annual Performance Evaluation Report (CAPER 2011). COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To conduct a public hearing of the 2011 CAPER projects funded through CDBG and HOME entitlements to the City of Muskegon Community and Neighborhood Services Department.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To submit the 2011 CAPER including any public comments received during the 30-day comment period ending September 28, 2012.

The Public Hearing opened to hear and consider any comments from the public. Comments were heard from Liz Parker, 1387 Montgomery.

Motion by Vice Mayor Spataro, second by Commissioner Wierengo to close the Public Hearing and submit the 2011 CAPER including any public comments

received during the 30-day comment period ending September 28, 2012.

ROLL VOTE: Ayes: Hood, Spataro, German, Wierengo, Turnquist, Markowski, and Gawron

Nays: None

MOTION PASSES

2012-70 NEW BUSINESS:

A. Special Event Request – “City of the Dead” Tour at Evergreen Cemetery, October 26-27, 2012. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Harbor Unitarian Universalist Congregation is requesting permission to hold their third annual historical tour/reenactment at Evergreen Cemetery on October 26 and 27, 2012.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: None.

Motion by Vice Mayor Spataro, second by Commissioner Hood to approve the Special Event Request “City of the Dead” Tour at Evergreen Cemetery, October 26 and 27, 2012, as described in the application.

ROLL VOTE: Ayes: Spataro, Wierengo, Turnquist, Markowski, Gawron, and Hood

Nays: German and Turnquist

MOTION PASSES

B. Inspection Services Contract. CITY MANAGER

SUMMARY OF REQUEST: To approve an agreement with Safe Built of Michigan, Inc. to provide inspection services to the City of Muskegon and to authorize the Mayor and Clerk to execute the contract at the discretion of City staff on or after October 5, 2012.

FINANCIAL IMPACT: This contract will eliminate the costs associated with providing inspection services and generate revenues to the City.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the agreement with Safe Built of Michigan, Inc. and authorize the City staff to enter into the agreement at their discretion on or after October 5, 2012.

Motion by Vice Mayor Spataro, second by Commissioner Wierengo to approve the agreement with Safe Build of Michigan, Inc. and authorize City staff to enter into the agreement at their discretion on or after October 5, 2012.

ROLL VOTE: Ayes: Wierengo, Turnquist, Markowski, Gawron, Hood, and Spataro
Nays: German

MOTION PASSES

PUBLIC PARTICIPATION: Public comments received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:39 p.m.

Respectfully submitted,

Ann Marie Cummings, MMC
City Clerk

Commission Meeting Date: September 25, 2012

Date: September 17, 2012
To: Honorable Mayor & City Commission
From: Planning & Economic Development Department
RE: Youth Basketball League and Open Gym
Proposal- Muskegon Public Schools

SUMMARY OF REQUEST: The City of Muskegon has contracted with the Muskegon Public Schools ("Schools") for the management of the Youth Basketball League and Open Gym since 2010. The program has been successful (see attached report) and the Schools would like to manage the program for the 2012-2013 school year. The Commission is requested to approve the attached proposal and authorize staff to enter into an agreement with the Schools for oversight of the basketball program and the Open Gym program.

FINANCIAL IMPACT: The cost for the program is \$18,500 (which has not changed since 2010).

BUDGET ACTION REQUIRED: Funds are available through the Leisure Services budget.

STAFF RECOMMENDATION: To approve the "Youth Basketball League and Open Gym Proposal" and authorize staff to enter into a formal agreement with the Schools.

City of Muskegon Final Report
Narrative & Financial Section

Program: Muskegon Public Schools Youth Basketball League and Open Gym & Swim

Date of Evaluation: May 29, 2012

Legal name of Organization: Muskegon Public Schools

Contact Person: Joanna Christophersen Phone Number: 231-720-2536

Address: 349 W Webster Ave., Muskegon MI 49440

E-Mail Address: jchristo@mpsk12.net

Youth Basketball and Open Gym and Swim

During the months that Muskegon Public Schools partnered with the City of Muskegon to offer Youth Basketball and Open Gym and Swim the following data was collected:

Youth Basketball Program:

Income Level of Participants

A total of 203, Muskegon Public School students participated in this year's Youth Basketball League. That is a 5% increase of participants over last year's 193 participants. Data collected on participating students showed that 83% of participants qualified for the free lunch program, which would categorize them as low-income. The remainder of the participants fell in to one the following categories: 13% qualified for reduced pay lunch (low/moderate income,) 6% qualified for full pay lunch (moderate income) and the remaining 2% we did not have sufficient access to data to determine their income category.

Race/Diversity

The diversity of our participants was made up of 76% African American, 14% Hispanic, 8% Caucasian and 2% other.

Outcomes

Two employees of 21st CCLC were contracted to run the basketball program this year. They partnered very closely with the Student Specialists at each building that participated in this program to ensure that athlete behavior was within expectation during

the daytime program as well. There was a substantial reduction in behavior referrals of youth that were participating in the youth basketball program. It is hard to quantify if the reduction was directly associated with the involvement of behavior training, the requirement to participate or the natural reduction of negative influences while the students were committed to practicing and competing as opposed to inter acting with negative stimuli in their circles of influence. What can be measured; is that the improvement in behavior is directly related to the times students were participating in the basketball program.

Open Gym

This year, we decided to only offer the Open Gym portion of the Open Gym and Swim program. The enormous loss on the swim portion of the program last year, made it impossible to consider continuing that option in such desperate financial times for the district as well as the community.

Muskegon Public Schools offered the Open Gym program to the community from October 22, 2011 through November 9, 2011 and from February 4, 2012 through March 10, 2012, for a total of 9 weeks. Participants could use the gym at Muskegon High School during this time. Through the 9 weeks the program was offered a total of 435 individuals participated in this program. On average, 48 individuals participated in this program on a weekly basis.

This program was intended to offer a safe, positive opportunity for recreation and sport to the residents of Muskegon as an alternative to high-risk activity. Sign in sheets documented that 96% of the participants that provided an address lived in the City of Muskegon, of those residents- 76% also indicated they were eligible for free or reduced lunch. Last year it was suspected that the sign-in process wasn't monitored closely enough to collect all of the data we were requesting. This year, after discussing the lack of data with the implementation team, we are in agreement that it is significantly more likely that the person/ people filling out the forms aren't able to understand the information that we are requesting from them well enough to fill out the form completely and/or there are embarrassment issues regarding income levels and avoid filling that part of the sign-in sheet out.

Budget Summary for Youth Basketball and Open Gym

Expenses:

Staffing	\$19,801
Building Useage	\$2,850
Supplies	\$2,846

Officials	\$5,500
Miscellaneous	\$531
Total	\$31,528

Revenue:

Muskegon Youth Registration Fees	\$5,075
Outside District Registration	\$3625
Admission to Tournaments	\$ 699
Concessions	\$1,100
Open Gym Admission	\$870
Total Revenue	\$11,369
City of Muskegon Contribution	\$18,500
Total Cost	\$1,659

I hereby certify that the funds provided by the City of Muskegon for the purposes of the aforementioned recreation programs were used for the direct support of these programs and for no other purposes.

Signature, Director

Date



21st CCLC After School Programs 349 W. Webster Avenue, Muskegon, MI 49440 231-720-2000 Fax 231-720-2050

September 17, 2012

Youth Basketball League Proposal

From: Muskegon Public Schools
To: The City of Muskegon

Muskegon Public Schools is continually looking for new ways to "reach out and change lives" in our community. Collaborating with the City of Muskegon to offer safe, positive after school recreational opportunities for our students offers that opportunity. Last year's Youth Basketball and Open Gym and Swim program established a successful foundation to sustain this collaborative effort. Based on review of expenses our current proposal is as follows:

- 1.) The MPS Youth Support Services Office located @ Muskegon Community Education Center, would administer the following programs: Open gym, and the Youth Basketball League. These programs would run between October 2012 and March 2013.
- 2.) The City of Muskegon would contribute \$18, 500 towards this partnership. The funds would be used for the following expenses: program administration and supervision, custodial services, supplies/materials and support personnel (i.e. referee's,)

Program Descriptions:

- 1.) Boy's and girl's basketball seasons would run consecutively for (5) week regular game schedule, and the (6th) week would be tournament play to conclude the season.
- 2.) Student registration fee would remain \$25 per student to include: game t-shirt and trophies for tournament champion team.
- 3.) MPS will accept responsibility for all administrative and supervisory obligations for the Youth Basketball League.

Open gym:

- 1.) Open gym will be offered for (3) hours following the Saturday basketball games for both girls and boys season.
- 2.) MPS will accept responsibility for all administrative and supervisory obligations for the Open Gym program.

Muskegon Public Schools looks forward to our partnership for the 2012/2013 academic year.

Date: September 25, 2012
To: Honorable Mayor and City Commissioners
From: Engineering
RE: Consideration of Bids for: B-247 CITY HALL PARKING LOTS
(JEFFERSON ST.) & DEPARTMENT OF PUBLIC WORKS LOT

SUMMARY OF REQUEST:

Award the construction contract to repave the city parking lots on (Employee, visitors side, MPD, and DPW lots) to Asphalt Paving, Inc. out of Muskegon, MI. Asphalt Paving is the lowest responsible bidder for this project with a total bid price of \$148,194.12 (*See attached bid tabulation).

FINANCIAL IMPACT:

The construction cost of \$148,194.12 plus engineering cost which is estimated at an additional 15%.

BUDGET ACTION REQUIRED:

None at this time as this project appears on the 2012-13 budget.

STAFF RECOMMENDATION:

Award the contract to Asphalt Paving Inc.

COMMITTEE RECOMMENDATION: N/A

Commission Meeting Date: September 25, 2012

Date: September 18, 2012
To: Honorable Mayor & City Commission
From: Community and Neighborhood Services
Department
RE: Masonry Services for 1500 Leahy house repairs

SUMMARY OF REQUEST: To accept the bid by the only proposal received: Andy Hofstra 6420 Lake Harbor Road, Muskegon, Michigan for the structural repairs needed for the rehabilitation of 1500 Leahy Street.

The home will be rehabilitated with NSP 1 funds and at completion the home will be sold to a qualified buyer with income up to 120% AMI.

FINANCIAL IMPACT: The funding for the repairs is budgeted from NSP 1, and if necessary a portion of 2012 HOME funds will be used as leverage.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the request

COMMITTEE RECOMMENDATION: None

**ANDY HOFSTRA
6420 LAKE HARBOR RD
MUSKEGON MI 49441**

**CITY OF MUSKEGON
COMMUNITY & NEIGHBORHOOD SERVICES
933 TERRACE ST/PO BOX 536
MUSKEGON MI 49443**

MASONRY BID 9-18-2012

1500 LEAHY

Andy Hofstra is pleased to submit the following bid. Should we be selected as the Masonry Contractor for this project, you can be assured that the workmanship will be of the highest quality, completed in a timely manner.

Job Description:

Make repairs as described in the report from Westshore Consulting dated November 2, 2011

- 1. At existing westerly facing windows of living room- shore wall above opening, and repair masonry above and bellow openings.
Cover opening with plywood. \$4,200

- 2. At entrance door- shore roof overhang, replace steel lintel and repair masonry \$2,300

3. At windows at NW corner of house- repair masonry above and bellow openings. Replace steel post at corner, Cover opening with plywood.
\$3,000
4. At all remaining windows- repair masonry as needed after windows are reinstalled.
\$800.00
5. At garage- shore roof and replace all three masonry walls. Provide and install stucco on these walls to match existing, demo paneling inside garage and repair masonry behind it.
\$16,800.00
6. Repair stucco as needed around entire house.
\$2,500.00

Includes - replacement of steel lintels over garage door and entrance door, new 10' garage door and new entrance door at rear of garage.

Not Including - painting , roofing work associated with garage.

BID PRICE: \$ 29,600.00

Thank You

Andy Hofstra

Commission Meeting Date: September 25, 2012

Date: September 20, 2012
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Public Hearing - Request for Exemption of New Personal Property (PA 328) – Alloy Resources Corp.

SUMMARY OF REQUEST:

Pursuant to Public Act 328 of 1998, as amended, Alloy Resources Corp, 2281 Port City Blvd, has requested an exemption of new personal property. The company plans on investing \$3,100,000 in machinery and equipment and is seeking a 12 year exemption on personal property. The exemption would include all new personal property investments during the duration of the exemption.

FINANCIAL IMPACT:

The City will forgo 100% of the personal property taxes for the length of the abatement.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the exemption of new personal property for a duration of twelve (12) years.

COMMITTEE RECOMMENDATION:

None

Resolution No. _____

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING APPLICATION FOR EXEMPTION OF NEW PERSONAL PROPERTY UNDER
PA 328 OF 1998

Alloy Resources Corp.

WHEREAS, pursuant to P.A. 198 of 1974 as amended, after duly noticed public hearing held on July 26, 1983, this Commission by resolution established an Industrial Development District as requested by the City of Muskegon for Port City Industrial Park, including the property leased by Alloy Resources Corp., 2281 Port City Blvd, Muskegon, Michigan 49442; and

WHEREAS, Alloy Resources Corp, has filed an application for Exemption of New Personal Property with respect to new personal property to be installed within said Industrial Development District ; and

WHEREAS, before acting on said application the Muskegon City Commission held a public hearing on September 25, 2012, at the Muskegon City Hall in Muskegon, Michigan at 5:30 p.m. at which hearing the applicant, the assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, the installation of machinery and equipment is calculated to and will have the reasonable likelihood to retain, create, or prevent the loss of employment in Muskegon, Michigan; and

NOW, THEREFORE, BE IT RESOLVED by the Muskegon City Commission of the City of Muskegon, Michigan that:

- 1) The Muskegon City Commission finds and determines that the Exemption considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 328 of the Public Act of 1998 as amended and Act No. 198 of the Public Act of 1974 as amended and Act No. 255 of the Public Acts of 1978 as amended shall not have the effect of substantially impeding the operation of the City of Muskegon or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Muskegon.
- 2) The application of Alloy Resources Corp., for the Exemption of New Personal Property with respect to the personal property expansion on the following described parcel of real property situated within the City of Muskegon to wit:

CITY OF MUSKEGON PORT CITY INDUSTRIAL CENTER LOT 14 SBJT TO QC RELEASING INT IN
EASMENT RR ROW 3769/173

- 3) The Exemption of New Personal Property is issued and shall be and remain in force and effect for a period of _____ years on personal property.

Adopted this 25th Day of September 2012.

Ayes:

Nays:

Absent:

BY: _____
Stephen Gawron
Mayor

ATTEST: _____
Ann Cummings
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on September 25, 2012.

Ann Cummings
Clerk

RECEIVED

AUG 28 2012

CITY OF MUSKEGON
PLANNING DEPARTMENT

Michigan Department of Treasury
3427 (Rev. 5-06)

Application for Exemption of New Personal Property

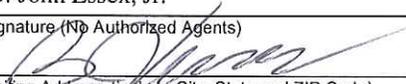
Issued under P.A. 328 of 1998. An exemption will not be effective until approved by the State Tax Commission.

INSTRUCTIONS: Read instructions on page 2 of this form before completing this application. File the original and two copies of this form and the required attachments (resolution approving, copy of legal description and a detailed description of the business operations) with the clerk of the local government unit. The State Tax Commission requires two complete sets.

PART 1: APPLICANT INFORMATION

1a. Applicant/Company Name (Applicant must be an ELIGIBLE BUSINESS) Alloy Resources Corp.		2. County Muskegon	
1b. Company Mailing Address (No. and Street, P.O. Box, City, State, ZIP Code) 1985 E. Laketon Ave., Muskegon, MI 49442		3. City/Township/Village (indicate which) Muskegon	
1c. Location of Eligible Business (No. and Street, City, State, ZIP Code) 2281 Port City Blvd., Muskegon, MI 49442		4a. Local School District Orchard View	4b. School Code 61190
5. Check below the type of business in which you are engaged and provide a detailed description of the business operation on a separate sheet <input checked="" type="checkbox"/> Manufacturing <input type="checkbox"/> Research & Development <input type="checkbox"/> Office Operations <input type="checkbox"/> Mining <input type="checkbox"/> Wholesale Trade			
6a. Identify type of ELIGIBLE DISTRICT where Eligible Business and New Personal Property will be located Industrial Development District		6b. Governing Unit that Established ELIGIBLE DISTRICT City of Muskegon	6c. Date ELIGIBLE DISTRICT was Established July 26, 1983
7. Name of Person in the Eligible Business to Contact for Further Information Dale Keyser		8. Telephone Number (231) 777-8704	
9. Mailing Address 1985 E. Laketon Ave, Muskegon, MI 49442			

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 of the information is truly descriptive of the property for which application is being made. The undersigned, authorized officer further certifies that the applicant is an Eligible Business as defined in P.A. 328 of 1998.

11. Name of Company Official B. John Essex, Jr.		12. Title President and CEO	
13. Signature (No Authorized Agents) 		14. Date 08/22/12	
15. Mailing Address (include City, State and ZIP Code) 1985 E. Laketon Ave, Muskegon, MI 49442			
16. Email Address johnessex@portcitygroup.com		17. Telephone Number (231) 777-3941	18. Fax Number (231) 777-7319

PART 2: LOCAL GOVERNMENT UNIT CLERK VERIFICATION

19. Name of Local Governmental Unit Which Passed Resolution for Exemption of New Personal Property		20. Date of Resolution (Attach Copy)	21. Expiration Date of Exemption
22. Name of Clerk		23. Date application was received by Local Unit	
24. Clerk's Signature		25. Clerk's Mailing Address	
26. Telephone Number	27. Fax Number	28. Email Address	
29. LUCI Code	30. School Code	31. Date District was Established	

STATE TAX COMMISSION USE			
Application No.	Date Received	LUCI Code	School Code

**ATTACHMENT TO FORM 3427
Application for Exemption of New Personal Property
Alloy Resources Corp.**

Legal Description of Property

Property #: 61-24-691-000-0014-00 School Dist.: 61190
Property Addr: 2281 PORT CITY BLVD
Legal Description:

CITY OF MUSKEGON PORT CITY INDUSTRIAL CE
NTER LOT 14 SBJT TO OC RELEASING INT IN
EASMENT RR ROW 3769/173

ATTACHMENT TO FORM 3427
Application for Exemption of New Personal Property
Alloy Resources Corp.

Description of Operation

Alloy Resources Corp. (ARC) is a member of a group of eight related industrial firms under common ownership control located in Muskegon County, Michigan and selling products globally.

ARC was incorporated in 2007 as a zinc and aluminum alloy smelter, to produce raw materials for the local die casting industry. ARC acquires scrap and off-spec material from various sources and melts/blends those materials into alloys meeting specifications required by its customers. The material is either shipped to, or picked up by customers at the Port City Boulevard location.

To date, related die casters located in Muskegon County have consumed 100% of ARC's production capacity and ARC supplements a supply shortage with wholesale purchases of alloy when needed.

Beginning in 2012, ARC is pursuing a significant expansion in production capacity in order to fully serve related companies, including a new casting plant in the City of Muskegon operated nearby at 2121 Latimer by Engineered Aluminum Castings, Inc. dba Port City Die Cast. This project will also provide ARC with the additional capacity to market alloy to other area casters, and eventually implement a molten metal delivery system, reducing energy consumption at customer facilities.

As the only non-ferrous smelter in the Muskegon area, particularly with the rapidly rising cost of gasoline, ARC can provide freight cost advantages to its customers. As an independent company, not controlled by one of the few big U.S. metal producers, ARC will also be able to provide more stable, competitive pricing with the ability to access a variety of raw material sources and match the required alloy blends specifically to the needs of the die caster. Consequently, the ARC expansion should provide the local casting industry with a competitive advantage.

ARC will install a new rotary furnace, a new holding furnace and a variety of supporting equipment. The existing bag house to collect particulate material emitted from the smelting process will be expanded in order to meet all DEQ/EPA requirements and protect our community's air quality. The initial equipment investment at ARC for this project is budgeted at \$3.1 million.

CITY OF MUSKEGON

CONTRACT FOR TAX ABATEMENT
Act 328 Public Acts of 1998

AGREEMENT between CITY OF MUSKEGON, a municipal corporation of 933 Terrace Street, Muskegon, Michigan 49441, ("City") and Alloy Resources Corp ("Company").

Recitals:

A. The Company has applied to City for the establishment of an industrial development district or industrial rehabilitation district pursuant to the provisions of Act 328 of the Public Acts of 1998, as amended, which act requires a contract between the City and the Company to be agreed and submitted with the Company's subsequent anticipated application for exemption of new personal property.

B. That in addition to the statutory requirement, the City has determined that it is in the best interests of the taxpayers, property owners and residents of the City that this Agreement be approved and executed prior to the establishment of the requested district, and the City deems this Contract, together with the conditions set forth in the said Act to constitute a necessary element in the City's determination whether or not to create the district.

C. The Company intends to install the project set forth in its application ("project") which it believes qualifies for the process of establishing the district and the application for application for exemption of new personal property.

D. The City, provided this Agreement is executed, will determine whether to create the district based upon the potential for the production of permanent jobs, the continuation or increase of economic activity, planning and zoning considerations and the City's general plan and intentions regarding economic development. In addition to the City policy considerations and predictions that the Company's proposed district and exemption benefit the community in those ways, the City has further determined that the contractual commitments made by the Company to thereby assist the community shall be binding on the Company and necessary to continue the tax exemption made possible by the exemption.

NOW THEREFORE THE PARTIES AGREE:

1. **COMPANY AGREEMENT.** The Company irrevocably commits to the investment, job retention and job creation promises made in its application, a copy of which is attached hereto and incorporated herein. In particular the Company agrees:

- 1.1 That 100% of the jobs shall be filled and in existence with full-time employees by a date no later than two (2) years from the date of the granting of the exemption by the State Tax Commission.
- 1.2 The Company shall meet the affirmative action goal included in the application or in any documents supplied by the City and utilized by the Company, including any additional representations made to the City Commission on or before the date two (2) years after the granting of the exemption by the State Tax Commission. It shall maintain the said levels of employment diversity during the period of the exemption.
- 1.3 The Company, by the end of two (2) years from the date of the grant of the exemption by the State Tax Commission shall have completed the investment of \$3,100,000 in the equipment improvements as shown in the application.
- 1.4 That the improvements and equipment to receive the tax abatement treatment shall be completed on or before the date two (2) years from the date of granting of the exemption by the State Tax Commission.
- 1.5 The Company shall pay its specific taxes required by the act in a timely manner, and shall not delay payments so as to incur any penalties or interest.
- 1.6 The Company shall not appeal the valuation of any real or personal property at the facility to the Michigan Tax Tribunal or the State Tax Commission.
- 1.7 The Company shall fully cooperate with the City representatives in supplying all requested and required documentation regarding jobs, investment, the meeting of all goals and the timely installation and utilization of equipment and improvements. The City shall be entitled to inspect at reasonable hours the Company's premises where the said improvements and equipment have been installed and where the said jobs are performed.
- 1.8 The Company shall maintain, during the entire period for which the tax abatement is granted, the level of jobs, affirmative action goals, production and utilization of the improvements and equipment at the site where the district has been created and for which the tax exemption has been granted.
- 1.9 The Company shall not cause or fail to cure the release of any hazardous substance, or the violation of any environmental law on its premises in the City. It shall report any releases to the appropriate governmental authority in a timely and complete manner, and provide copies of said report documentation to the City. It shall comply with all orders and actions of any governmental agency having authority.
- 1.10 The Company shall maintain the equipment and improvements so as to minimize physical or functional obsolescence.

1.11 The Company shall continue to operate its business location in the City, containing the same number of and type of jobs, for the term of the abatement.

2. **AGREEMENT BY THE CITY.** Provided this contract has been executed and further provided all applications to create the district and achieve exemption of new personal property have been properly filed, the City shall, in a timely manner, determine in a public meeting to create the district and receive, process, and approve thereafter the Company's application for exemption of new personal property. The City may consider this contract in a meeting separate from and prior to the meeting in which the City considers the creation of the district and approval of the application for exemption. Further, the City shall require the submission of this contract signed by the Company together with its applications, before creating the district.

3. **EVENTS OF DEFAULT.** The following actions or failures to comply shall be considered events of default by the Company:

3.1 Failure to meet any of the commitments set forth above.

3.2 The closing of the Company's facilities in the City. Closing shall mean for purpose of this Agreement, the removal, without transfer to another site within the City of substantially all of the production facilities, and the elimination of substantially all the jobs created or retained thereby, which are set forth in the Company's application.

3.3 Failure to afford to the City the documentation and reporting required.

3.4 The failure to create or retain jobs, meet affirmative action goals or expend the funds on equipment and improvements as represented in the application within the times required hereby.

3.5 The bankruptcy or insolvency of the Company.

3.6 The failure to pay any and all taxes and assessments levied on the Company's property or any other taxes, local, state or federal, including but not limited to City income taxes and the withholding of said City income taxes from employees as required by the City Income Tax Ordinance.

3.7 The performance or omission of any act which would lead to revocation under MCLA 207.565, being §15 of the Act.

3.8 The violation of any provisions, promises, commitments, considerations or covenants of this Agreement.

4. **REMEDIES ON DEFAULT.** In the event of any of the above defaults the City shall have the following remedies which it may invoke without notice, except as may be reasonably required by the Company's rights to due process:

4.1 In the event of closing as determined after investigation of the facts and a public hearing, the Company shall be immediately liable for penalties to be paid forthwith to the city as determined as follows:

4.1.1 The Company shall pay to the City for prorata distribution to the taxing units experiencing the abatement, an amount equal to the total property taxes to the relevant taxing units which it would have paid, given its installations of improvements and equipment, during the years for which the exemption was in effect.

4.1.2 Immediate Revocation. The Company hereby consents to revocation to the exemption of new personal property before the State Tax Commission, without hearing, and the City shall submit a copy of this Agreement to the State Tax Commission in connection with its revocation procedure, giving notice that the default has occurred and immediate revocation should occur.

4.2 In the event the improvements and equipment have not been installed before the two (2) year period, in addition to the revocation procedures before the State Tax Commission, the abatement should immediately be reduced by the City proportionately, and any installations which have not been finished at the end of said two (2) year period shall not be eligible for the abatement thereafter and shall be placed on the regular tax roll.

4.3 Failure to Expend the Funds Represented. In the event, (whether or not the installations have been completed), the Company has not expended the funds it has represented on its application that it would invest for the installation of equipment, the abatement shall be reduced prorata, and any remaining value of equipment shall be placed on the regular tax roll.

4.4 Job Creation and Retention. In the event the promised number of jobs have not been created or retained at the end of the two (2) years after the grant of the exemption by the State Tax Commission, the abatement shall be proportionately reduced.

4.5 Affirmative Action Goals. In the event, after one (1) year from the grant of the exemption by the State Tax Commission, the affirmative action goals of the City for additional jobs have not been met on a prorata basis, the abatement shall be revoked.

4.6 For other violations of this Agreement or for actions or omissions by the Company amounting to grounds for revocation by statute, the City shall recommend to the State Tax Commission immediate revocation of the exemption.

4.7 Special Assessment. For any amount due to be paid to the City, under this Section 4, the Company consents that the City shall have a personal action against the Company for the said amount, and in addition, cumulatively, and not by election, the City shall have a special assessment lien on all the property of the Company personal and real, located in the City, for the collection of the amounts due as and in the manner of property taxes and in such case the collection of the said special assessment shall be accomplished by addition by the City to the Company's property tax statement regularly rendered.

5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

6. Counterparts. This Agreement may be executed in one or more counterparts. Notwithstanding such execution all such counterparts shall constitute one and the same Agreement.

7. Benefit. This Agreement shall be binding upon and inure to the benefit of the respective parties, their successors and personal representatives.

8. Effective Date. This Agreement shall be effective on the date the State of Michigan Tax Commission grants the company an exemption of new personal property.

CITY OF MUSKEGON

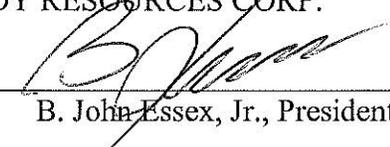
By _____
Stephen Gawron, Mayor

Date _____

and _____
Ann Cummings, Clerk

Date _____

ALLOY RESOURCES CORP.

By 
B. John Essex, Jr., President

Date 9-17-12

Commission Meeting Date: September 25, 2012

Date: September 20, 2012
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Public Hearing - Request for Exemption of New Personal Property (PA 328) – Engineered Aluminum Castings, Inc.

SUMMARY OF REQUEST:

Pursuant to Public Act 328 of 1998, as amended, Engineered Aluminum Castings, Inc, 2121 Latimer Dr, has requested an exemption of new personal property. The company plans on investing \$7,000,000 in machinery and equipment and is seeking a 12 year exemption on personal property. The exemption would include all new personal property investments during the duration of the exemption.

FINANCIAL IMPACT:

The City will forgo 100% of the personal property taxes for the length of the abatement.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the exemption of new personal property for a duration of twelve (12) years.

COMMITTEE RECOMMENDATION:

None

Resolution No. _____

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING APPLICATION FOR EXEMPTION OF NEW PERSONAL PROPERTY UNDER
PA 328 OF 1998

Engineered Aluminum Castings, Inc.

WHEREAS, pursuant to P.A. 198 of 1974 as amended, after duly noticed public hearing held on July 26, 1983, this Commission by resolution established an Industrial Development District as requested by the City of Muskegon for Port City Industrial Park, including the property leased by Engineered Aluminum Castings, Inc, 2121 Latimer Dr, Muskegon, Michigan 49442; and

WHEREAS, Engineered Aluminum Castings, Inc, has filed an application for Exemption of New Personal Property with respect to new personal property to be installed within said Industrial Development District ; and

WHEREAS, before acting on said application the Muskegon City Commission held a public hearing on September 25, 2012, at the Muskegon City Hall in Muskegon, Michigan at 5:30 p.m. at which hearing the applicant, the assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, the installation of machinery and equipment is calculated to and will have the reasonable likelihood to retain, create, or prevent the loss of employment in Muskegon, Michigan; and

NOW, THEREFORE, BE IT RESOLVED by the Muskegon City Commission of the City of Muskegon, Michigan that:

- 1) The Muskegon City Commission finds and determines that the Exemption considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 328 of the Public Act of 1998 as amended and Act No. 198 of the Public Act of 1974 as amended and Act No. 255 of the Public Acts of 1978 as amended shall not have the effect of substantially impeding the operation of the City of Muskegon or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Muskegon.
- 2) The application of Engineered Aluminum Castings, Inc, for the Exemption of New Personal Property with respect to the personal property expansion on the following described parcel of real property situated within the City of Muskegon to wit:

CITY OF MUSKEGON PORT CITY INDUSTRIAL CENTER NO 3 LOTS 36 & 37 EXC THAT PART OF LOT 37 DESC AS BEG AT NE COR OF LOT 37 TH N 89D 41M 50S W 25 FT ALONG N LINE OF SD LOT TH S 44D 09M 25S E 35.02 FT TO PT ON E LINE SD LOT SD POINT BEING 25 FT S 1D 23M 00S W FROM POB TH N 1D 23M 00S E 25 FT ALONG E LINE OF SD LOT TO POB

- 3) The Exemption of New Personal Property is issued and shall be and remain in force and effect for a period of _____ years on personal property.

Adopted this 25th Day of September 2012.

Ayes:

Nays:

Absent:

BY: _____
Stephen Gawron
Mayor

ATTEST: _____
Ann Cummings
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on September 25, 2012.

Ann Cummings
Clerk

RECEIVED

AUG 28 2012

CITY OF MUSKEGON
PLANNING DEPARTMENT

Michigan Department of Treasury
3427 (Rev. 5-06)

Application for Exemption of New Personal Property

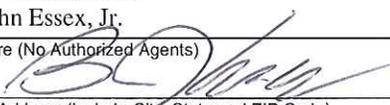
Issued under P.A. 328 of 1998. An exemption will not be effective until approved by the State Tax Commission.

INSTRUCTIONS: Read instructions on page 2 of this form before completing this application. File the original and two copies of this form and the required attachments (resolution approving, copy of legal description and a detailed description of the business operations) with the clerk of the local government unit. The State Tax Commission requires two complete sets.

PART 1: APPLICANT INFORMATION

1a. Applicant/Company Name (Applicant must be an ELIGIBLE BUSINESS) Engineered Aluminum Castings, Inc. (dba Port City Die Cast)		2. County Muskegon	
1b. Company Mailing Address (No. and Street, P.O. Box, City, State, ZIP Code) 1985 E. Laketon Ave., Muskegon, MI 49442		3. City/Township/Village (indicate which) Muskegon	
1c. Location of Eligible Business (No. and Street, City, State, ZIP Code) 2121 Latimer Drive, Muskegon, MI 49442		4a. Local School District Orchard View	4b. School Code 61190
5. Check below the type of business in which you are engaged and provide a detailed description of the business operation on a separate sheet <input checked="" type="checkbox"/> Manufacturing <input type="checkbox"/> Research & Development <input type="checkbox"/> Office Operations <input type="checkbox"/> Mining <input type="checkbox"/> Wholesale Trade			
6a. Identify type of ELIGIBLE DISTRICT where Eligible Business and New Personal Property will be located Industrial Development District		6b. Governing Unit that Established ELIGIBLE DISTRICT City of Muskegon	
		6c. Date ELIGIBLE DISTRICT was Established July 26, 1983	
7. Name of Person in the Eligible Business to Contact for Further Information Dale Keyser		8. Telephone Number (231) 777-8704	
9. Mailing Address 1985 E. Laketon Ave, Muskegon, MI 49442			

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 of the information is truly descriptive of the property for which application is being made. The undersigned, authorized officer further certifies that the applicant is an Eligible Business as defined in P.A. 328 of 1998.

11. Name of Company Official B. John Essex, Jr.		12. Title President and CEO	
13. Signature (No. Authorized Agents) 		14. Date 08/22/12	
15. Mailing Address (include City, State and ZIP Code) 1985 E. Laketon Ave, Muskegon, MI 49442			
16. Email Address johnessex@portcitygroup.com		17. Telephone Number (231) 777-3941	18. Fax Number (231) 777-7319

PART 2: LOCAL GOVERNMENT UNIT CLERK VERIFICATION

19. Name of Local Governmental Unit Which Passed Resolution for Exemption of New Personal Property		20. Date of Resolution (Attach Copy)	21. Expiration Date of Exemption
22. Name of Clerk		23. Date application was received by Local Unit	
24. Clerk's Signature		25. Clerk's Mailing Address	
26. Telephone Number		27. Fax Number	28. Email Address
29. LUCI Code		30. School Code	31. Date District was Established

STATE TAX COMMISSION USE

Application No.	Date Received	LUCI Code	School Code
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ATTACHMENT TO FORM 3427
Application for Exemption of New Personal Property
Engineered Aluminum Castings, Inc. (dba Port City Die Cast)

Legal Description of Property

Land situated in the City of Muskegon, County of Muskegon, and State of Michigan, described as:

Lots 35, 36 and 37, excepting therefrom that part of Lot 37 described as: Beginning at the Northeast corner of Lot 37; thence North 89 degrees 41 minutes 50 seconds West, 25.00 feet along the North line of said Lot; thence South 44 degrees 09 minutes 25 seconds East, 35.02 feet to a point on the East line of said Lot, said point being 25.00 feet South 1 degree 23 minutes 00 seconds West from the place of beginning; thence North 1 degree 23 minutes 00 seconds East, 25.00 feet along the East line of said Lot to the place of beginning, all in PORT CITY INDUSTRIAL CENTER NO. 3, as recorded in Liber 20 of Plats, Pages 24 and 25, Muskegon County Records.

Parcel #61-24-693-000-0035-00

Parcel #61-24-693-000-0036-00

Address: 2121 Latimer Drive, Muskegon, Michigan

ATTACHMENT TO FORM 3427

**Application for Exemption of New Personal Property
Engineered Aluminum Castings, Inc. (dba Port City Die Cast)**

Description of Business Operation

Engineered Aluminum Castings, Inc., doing business as Port City Die Cast, is a member of a group of eight industrial firms under common ownership control located in Muskegon County, Michigan and selling products globally. Muskegon Castings Corp., a related company, is providing business assistance during the start-up phase of the new operation.

Engineered Aluminum Castings is the latest addition to the group's aluminum die casting operations. Located in a newly acquired building at 2121 Latimer in the City of Muskegon, the company will produce quality machined aluminum die castings for the automotive and other industries. The facility will use highly automated high pressure die casting equipment, programmable machining centers and various other support equipment for downstream processes and quality control. The company will also be involved in tool design, prototyping and some basic assembly.

With an initial investment of \$7 million in machinery and equipment, the company will employ people with a variety of skills, including die casters, machinists, maintenance technicians, engineers, inventory control, shipping/receiving, inspectors, supervision and general labor.

The company will acquire aluminum alloy, primarily from a sister company located in Muskegon, and cast and machine products at the Latimer location. Some downstream operations may be outsourced and raw castings may be acquired from other related companies for machining and further processing. Inventory will be maintained primarily at the Latimer facility and customer shipments will originate at that location.

This operation will not only provide new jobs to the City of Muskegon at the Latimer location, but will also increase opportunities at related supporting companies in Muskegon.

CITY OF MUSKEGON

CONTRACT FOR TAX ABATEMENT
Act 328 Public Acts of 1998

AGREEMENT between CITY OF MUSKEGON, a municipal corporation of 933 Terrace Street, Muskegon, Michigan 49441, ("City") and Engineered Aluminum Castings ("Company").

Recitals:

- A. The Company has applied to City for the establishment of an industrial development district or industrial rehabilitation district pursuant to the provisions of Act 328 of the Public Acts of 1998, as amended, which act requires a contract between the City and the Company to be agreed and submitted with the Company's subsequent anticipated application for exemption of new personal property.
- B. That in addition to the statutory requirement, the City has determined that it is in the best interests of the taxpayers, property owners and residents of the City that this Agreement be approved and executed prior to the establishment of the requested district, and the City deems this Contract, together with the conditions set forth in the said Act to constitute a necessary element in the City's determination whether or not to create the district.
- C. The Company intends to install the project set forth in its application ("project") which it believes qualifies for the process of establishing the district and the application for application for exemption of new personal property.
- D. The City, provided this Agreement is executed, will determine whether to create the district based upon the potential for the production of permanent jobs, the continuation or increase of economic activity, planning and zoning considerations and the City's general plan and intentions regarding economic development. In addition to the City policy considerations and predictions that the Company's proposed district and exemption benefit the community in those ways, the City has further determined that the contractual commitments made by the Company to thereby assist the community shall be binding on the Company and necessary to continue the tax exemption made possible by the exemption.

NOW THEREFORE THE PARTIES AGREE:

1. **COMPANY AGREEMENT.** The Company irrevocably commits to the investment, job retention and job creation promises made in its application, a copy of which is attached hereto and incorporated herein. In particular the Company agrees:

- 1.1 That 100% of the jobs shall be filled and in existence with full-time employees by a date no later than two (2) years from the date of the granting of the exemption by the State Tax Commission.
- 1.2 The Company shall meet the affirmative action goal included in the application or in any documents supplied by the City and utilized by the Company, including any additional representations made to the City Commission on or before the date two (2) years after the granting of the exemption by the State Tax Commission. It shall maintain the said levels of employment diversity during the period of the exemption.
- 1.3 The Company, by the end of two (2) years from the date of the grant of the exemption by the State Tax Commission shall have completed the investment of \$7,000,000 in the equipment improvements as shown in the application.
- 1.4 That the improvements and equipment to receive the tax abatement treatment shall be completed on or before the date two (2) years from the date of granting of the exemption by the State Tax Commission.
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1.11 The Company shall continue to operate its business location in the City, containing the same number of and type of jobs, for the term of the abatement.

2. **AGREEMENT BY THE CITY.** Provided this contract has been executed and further provided all applications to create the district and achieve exemption of new personal property have been properly filed, the City shall, in a timely manner, determine in a public meeting to create the district and receive, process, and approve thereafter the Company's application for exemption of new personal property. The City may consider this contract in a meeting separate from and prior to the meeting in which the City considers the creation of the district and approval of the application for exemption. Further, the City shall require the submission of this contract signed by the Company together with its applications, before creating the district.

3. **EVENTS OF DEFAULT.** The following actions or failures to comply shall be considered events of default by the Company:

3.1 Failure to meet any of the commitments set forth above.

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3.3 Failure to afford to the City the documentation and reporting required.

3.4 The failure to create or retain jobs, meet affirmative action goals or expend the funds on equipment and improvements as represented in the application within the times required hereby.

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3.6 The failure to pay any and all taxes and assessments levied on the Company's property or any other taxes, local, state or federal, including but not limited to City income taxes and the withholding of said City income taxes from employees as required by the City Income Tax Ordinance.

3.7 The performance or omission of any act which would lead to revocation under MCLA 207.565, being §15 of the Act.

3.8 The violation of any provisions, promises, commitments, considerations or covenants of this Agreement.

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CITY OF MUSKEGON

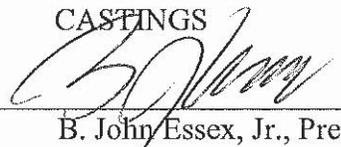
By _____
Stephen Gawron, Mayor

Date _____

and _____
Ann Cummings, Clerk

Date _____

ENGINEERED ALUMINUM
CASTINGS

By 
B. John Essex, Jr., President

Date 9-17-12

Commission Meeting Date: September 25, 2012

Date: September 20, 2012
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Public Hearing - Request for an Industrial Facilities Exemption Certificate – Engineered Aluminum Castings, Inc.

SUMMARY OF REQUEST:

Pursuant to Public Act 198 of 1974, as amended, Engineered Aluminum Castings, Inc, 2121 Latimer Dr, has requested the issuance of an Industrial Facilities Tax Exemption Certificate. The total capital investment will be \$738,000 in real property and will create two jobs. This qualifies them for a tax abatement of 12 years.

FINANCIAL IMPACT:

The City will capture certain additional property taxes generated by the expansion (see attached Summary Sheet).

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the attached resolution granting an Industrial Facilities Exemption Certificate for a term of 12 years for real property.

COMMITTEE RECOMMENDATION:

None

Resolution No. _____

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING APPLICATION FOR ISSUANCE
OF INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
Engineered Aluminum Castings, Inc.

WHEREAS, pursuant to P.A. 198 of 1974 as amended, after duly noticed public hearing held on July 26, 1983, this Commission by resolution established an Industrial Development District as requested by the City of Muskegon for Port City Industrial Park, including the property leased by Engineered Aluminum Castings, Inc, 2121 Latimer Dr., Muskegon, Michigan 49442; and

WHEREAS, Engineered Aluminum Castings, Inc, has filed an application for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to building improvements within said Industrial Development District ; and

WHEREAS, said application was filed no later than six (6) months after project completion and the Muskegon City Commission held a public hearing on September 25, 2012, at the Muskegon City Hall in Muskegon, Michigan at 5:30 p.m. at which hearing the applicant, the assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, construction of the real property had not begun earlier than six (6) months before August 28, 2012, the date of acceptance of the application for the Industrial Facilities Exemption Certificate; and

WHEREAS, the real property improvements are calculated to and will have the reasonable likelihood to retain, create, or prevent the loss of employment in Muskegon, Michigan; and

WHEREAS, the aggregate SEV of real property exempt from ad valorem taxes within the City of Muskegon, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED by the Muskegon City Commission of the City of Muskegon, Michigan that:

- 1) The Muskegon City Commission finds and determines that the Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Act of 1974 as amended and Act No. 255 of the Public Acts of 1978 as amended shall not have the effect of substantially impeding the operation of the City of Muskegon or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Muskegon.
- 2) The application of Engineered Aluminum Castings, Inc, for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to real property improvements on the following described parcel of real property situated within the City of Muskegon to wit:

CITY OF MUSKEGON PORT CITY INDUSTRIAL CENTER NO 3 LOTS 36 & 37 EXC THAT PART OF LOT 37 DESC AS BEG AT NE COR OF LOT 37 TH N 89D 41M 50S W 25 FT ALONG N LINE OF SD LOT TH S 44D 09M 25S E 35.02 FT TO PT ON E LINE SD LOT SD POINT BEING 25 FT S 1D 23M 00S W FROM POB TH N 1D 23M 00S E 25 FT ALONG E LINE OF SD LOT TO POB

- 3) The Industrial Facilities Tax Exemption Certificate is issued and shall be and remain in force and effect for a period of _____ years on personal property.

Adopted this 25th Day of September 2012.

Ayes:

Nays:

Absent:

BY: _____
Stephen Gawron
Mayor

ATTEST: _____
Ann Cummings
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on September 25, 2012.

Ann Cummings
Clerk

RECEIVED

AUG 28 2012

CITY OF MUSKEGON
PLANNING DEPARTMENT

Michigan Department of Treasury
1012 (Rev. 5-07)

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) Engineered Aluminum Castings, Inc.	1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3363
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 2121 Latimer, Muskegon, MI 49442	1d. City/Township/Village (indicate which) 1e. County Muskegon Muskegon
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 3b. School Code Orchard View 61190
4. Amount of years requested for exemption (1-12 Years) 12	

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>\$738,000.00</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	▶ _____ Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	▶ <u>\$738,000.00</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.

	<u>Begin Date (M/D/Y)</u>	<u>End Date (M/D/Y)</u>	
Real Property Improvements	▶ <u>4/1/12</u>	<u>3/31/14</u>	▶ <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased
Personal Property Improvements	▶ _____		▶ <input 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. 0	10. No. of new jobs at this facility expected to create within 2 years of completion. 55
---	--

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	_____

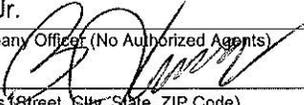
12a. Check the type of District the facility is located in:
 Industrial Development District Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit) 7/26/83	12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 Dale Keyser	13b. Telephone Number (231) 777-8704	13c. Fax Number (231) 773-3416	13d. E-mail Address dkeyser@portcitygroup.com
14a. Name of Contact Person Dale Keyser	14b. Telephone Number (231) 777-8704	14c. Fax Number (231) 773-3416	14d. E-mail Address dkeyser@portcitygroup.com
▶ 15a. Name of Company Officer (No Authorized Agents) B. John Essex, Jr.			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number (231) 777-7319	15d. Date 8/27/12
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 1985 E. Laketon Ave., Muskegon, MI 49442		15f. Telephone Number (231) 777-3941	15g. E-mail Address johnessex@portcitygroup.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 TO FORM 1012
Application for Industrial Facilities Tax Exemption
Engineered Aluminum Castings, Inc. (dba Port City Die Cast)

Item 5

Engineered Aluminum Castings, Inc., doing business as Port City Die Cast, is a member of a group of eight industrial firms under common ownership control located in Muskegon County, Michigan and selling products globally. Muskegon Castings Corp., a related company, is providing business assistance during the start-up phase of the new operation.

Engineered Aluminum Castings (EAC) is the latest addition to the group's aluminum die casting operations. Located in a leased building at 2121 Latimer in the City of Muskegon, the company will produce quality machined aluminum die castings for the automotive and other industries. The facility will use highly automated high pressure die casting equipment, programmable machining centers and various other support equipment for downstream processes and quality control. The company will also be involved in tool design, prototyping and some basic assembly.

The property at 2121 Latimer is leased by EAC from Essex Property Management, LLC. Both companies share common ownership, and the existing building was newly acquired by Essex Property Management, LLC. on May 23, 2012 specifically for the purpose of establishing this new manufacturing operation.

The initial purchase price of the building was \$405,000. Additional costs required to make the building production-ready are estimated at \$738,000. Some preliminary preparation work began at the site in late April in anticipation of the eventual purchase. EAC expects to initially invest \$7 million in machinery and equipment. An application for abatement under Public Act 328 for the personal property is being submitted concurrently.

EAC will employ a minimum of 18 people in 2012, with additions of 24 jobs in 2013 and another 13 jobs in 2014. While this initial plan provides for a total of 55 new jobs by the end of 2014, the facility provides the capacity for further expansion as opportunities arise. The added jobs will include a variety of skills, including die casters, machinists, maintenance technicians, engineers, inventory control, shipping/receiving, inspectors, supervision and general labor.

The company will acquire aluminum alloy, primarily from a related company located in Muskegon, and cast and machine products at the Latimer location. Some downstream operations may be outsourced and raw castings may be acquired from other Port City Group companies for machining and further processing. Inventory will be maintained primarily at the Latimer facility and customer shipments will originate at that location.

This operation will not only provide new jobs to the City of Muskegon at the Latimer location, but will also increase opportunities at related supporting companies in Muskegon.

ATTACHMENT TO FORM 1012

Application for Industrial Facilities Tax Exemption

Engineered Aluminum Castings, Inc. (dba Port City Die Cast)

Schedule of Building Improvement Costs

Exterior

Exterior painting	\$ 50,000.00
Black top resurface	35,000
New exterior doors & locks	8,900
Office roof repair	4,800
Plant roof repairs	63,000
Exterior metal repairs	18,000
Loading lock repairs	7,500
Lighting	5,500
Signage	8,900

Interior - Old Half

Blast and paint ceilings	60,000
Replace wall liner panels	12,000

Interior - New Half

Remove center wall	10,000
Concrete removal / new machine pads and trenches	150,000
New Lighting	40,000
Cleaning	
Electrical	202,000
Office set-up	17,000
Overhead door replacements	10,000
HVAC	35,000

\$737,600.00

Affidavit

STATE OF MICHIGAN)
) ss.
COUNTY OF MUSKEGON)

I, John Smolen certify:

- 1. That I am owner of Northstar Construction, that I am authorized to submit this Affidavit and that I have actual knowledge of the facts stated.
- 2. Northstar Construction was hired by Engineered Aluminum Castings, Inc. and Essex Property Management, LLC. to perform building improvements to the facility at 2121 Latimer Rd., Muskegon, MI 49442 with respect to a project currently subject to tax abatement applications.
- 3. The work under this contract commenced on APRIL 1, 2012.

This Affidavit was executed on August 27, 2012.



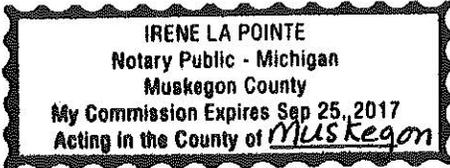
 John Smolen, Owner
 Northstar Construction

STATE OF MICHIGAN)
) ss.
COUNTY OF MUSKEGON)

John Smolen signed and acknowledged the foregoing instrument before me this 27 day of August 2012.



Irene LaPointe, Notary Public,
 State of Michigan, County of Muskegon
 My Commission Expires: Sep 25, 2017
 Acting in the County of Muskegon



ATTACHMENT TO FORM 1012

Engineered Aluminum Castings, Inc. (dba Port City Die Cast)

Legal Description of Property

Land situated in the City of Muskegon, County of Muskegon, and State of Michigan, described as:

Lots 35, 36 and 37, excepting therefrom that part of Lot 37 described as: Beginning at the Northeast corner of Lot 37; thence North 89 degrees 41 minutes 50 seconds West, 25.00 feet along the North line of said Lot; thence South 44 degrees 09 minutes 25 seconds East, 35.02 feet to a point on the East line of said Lot, said point being 25.00 feet South 1 degree 23 minutes 00 seconds West from the place of beginning; thence North 1 degree 23 minutes 00 seconds East, 25.00 feet along the East line of said Lot to the place of beginning, all in PORT CITY INDUSTRIAL CENTER NO. 3, as recorded in Liber 20 of Plats, Pages 24 and 25, Muskegon County Records.

Parcel #61- 24-693-000-0035-00
Parcel #61- 24-693-000-0036-00

Address: 2121 Latimer Drive, Muskegon, Michigan

LEASE

THIS INDENTURE, made this 1st day of June, 2012, by and between Essex Property Management, LLC, a Michigan limited liability company of 1985 E. Laketon Ave., Muskegon, MI 49442 ("LESSOR"), and ~~PCDC2, INC.~~ a Delaware corporation dba Port City Die Cast Company, of 1985 E. Laketon Ave., Muskegon, MI 49442 ("LESSEE")

Engineered Aluminum Castings, Inc. a Michigan
WITNESSETH

1. DESCRIPTION OF PREMISES. In consideration of the rents and covenants herein reserved and contained on the part of the LESSEE to be paid, performed and observed, said LESSOR hereby demises and leases to said LESSEE and LESSEE does hereby hire and take from LESSOR the following described premises commonly known as 2081 and 2121 Latimer Drive, Muskegon, Michigan 49444 and legally described as:

Lots 35, 36 and 37, Port City Industrial Center No. 3, City of Muskegon, Michigan EXCEPT that part of Lot 37 described in Liber 20 of Plats, pages 24 and 25, Muskegon County Records.

This lease also includes the overhead rail cranes and all other fixtures located in the premises.

2. TERM. The term of this lease shall begin on the date hereof and end December 31, 2013.

3. RENT. LESSEE shall pay rent to LESSOR equal to One Dollar per square foot (\$1.00/sq/ft) for the 200,000 square feet contained in the premises, in equal monthly installments of Sixteen Thousand, Six Hundred Sixty Six Dollars and Sixty-Seven Cents (\$16,666.67) per month in advance on the 1st day of each month, commencing as of the date hereof. The monthly rental shall be reviewed and adjusted to fair market value annually on January 1 of each year. The rent shall be payable at the office of LESSOR without abatement, deduction or setoff. In the event of a dispute over fair market value, the parties shall agree upon an appraiser, realtor or other expert to determine fair market value rent for the subject parcel.

4. TAXES. LESSEE shall pay all real estate taxes, assessments, water charges and governmental levies and charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind, which are assessed or imposed upon the leased property or any part thereof, or become payable during the term of this lease before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof. LESSEE shall furnish to LESSOR for LESSOR'S inspection within thirty (30) days after the date any amount is payable by LESSEE, as provided in this paragraph, official receipts of the appropriate taxing authority or other proof satisfactory to LESSOR evidencing payment.

5. UTILITIES. The LESSEE shall pay all charges for gas, electricity, light, heat, water, power and telephone or other communication service used, rendered or supplied upon or

in connection with the leased property, and shall indemnify the LESSOR against any liability or damages on such account.

6. RIGHT OF LESSOR TO LEASE PREMISES. The LESSOR covenants and warrants that it is in lawful possession and control of said premises, and has the authority to enter into this lease agreement.

7. QUIET ENJOYMENT. LESSOR covenants that LESSEE, on payment of all the aforesaid installments and performing all the covenants aforesaid, shall and may peacefully and quietly have, hold and enjoy the said demised premises for the term hereof. LESSOR agrees to indemnify LESSEE for and against any and all loss and damage of whatever kind that may result to LESSEE on account of any failure of or defect in LESSOR'S title or right to make and execute this lease, and that there are no restrictions applicable to the demised premises which affect and limit the right of LESSEE to exercise any of the rights granted to LESSEE by this lease. LESSOR agrees to put LESSEE in possession of the demised premises at the commencement of the term of this lease. LESSOR agrees that it will not grant any easements on the demised premises, or create any restrictions thereto, during the term of the lease without the prior consent of LESSEE.

8. USE OF PREMISES. LESSEE is granted the right during the term of this lease, or any renewals hereof, to occupy and use the leased premises for any purpose not prohibited to LESSEE under any laws and regulations to which LESSEE or the leased premises are subject.

9. LESSEE'S ACCEPTANCE OF PROPERTY AS IS. LESSEE accepts the building, improvements and any equipment on or in the leased premises in their existing condition. No representation, statement or warranty, express or implied, has been made by or on behalf of LESSOR as to such condition, or as to the use that may be made of such property. In no event shall LESSOR be liable to LESSEE for any defect in such property or for limitations on its use. No representation or warranty of habitability, express or implied, has been made by or on the behalf of LESSOR to LESSEE.

10. MAINTENANCE. LESSEE shall, at its own expense, make all necessary repairs and replacements to the leased property and to the pipes, heating system, plumbing system, window glass, fixtures and all other appliances belonging thereto, all equipment used in connection with the leased property, and the sidewalks, curbs and vaults adjoining or appurtenant to the leased property. Such repairs and replacements, interior and exterior, ordinary as well as extraordinary and structural as well as nonstructural, shall be made promptly, as and when necessary. All repairs and replacements shall be in quality and class at least equal to the original work. On default of the LESSEE in making such repairs or replacements, the LESSOR may, but shall not be required to make such repairs and replacements for the LESSEE'S account, and the expenses thereof shall constitute and be collectible as additional rent.

11. ALTERATIONS OR IMPROVEMENTS. LESSEE shall not make any alterations, additions, or improvements to the premises except with the prior consent of LESSOR. Any alteration, addition or improvement made by the LESSEE after such consent shall have been given, and any fixtures installed as part thereof, shall at the LESSOR'S option become the property of the LESSOR upon the expiration or other sooner termination of this

lease, provided, however, that LESSOR shall have the right to require LESSEE to remove such fixtures, additions or improvements at the LESSEE'S cost upon such termination of this lease provided that in the event of any such removal, LESSEE shall make all repairs necessitated by such removal so as to leave the premises in like condition as when taken except for ordinary wear and tear.

12. PUBLIC ORDERS AND ZONING. LESSEE shall, at its own expense, make all alterations, improvements, or repairs in the leased premises that may be ordered by public authorities, or required by changes in or additions to state and local zoning ordinances.

13. MECHANICAL FAILURES. LESSOR shall not be liable for any damage to persons or property on account of the stoppage or failure of operation of any part of the mechanical plant of the building, or heating, air conditioning, plumbing or electrical facilities, whether for necessary or desirable repairs or improvements thereof, or occasioned by accident or other cause. All personal property in the demised premises shall be at the risk of LESSEE only, and LESSOR shall not be liable for any loss of or damage to said personal property, to said premises or to LESSEE arising from the bursting, stoppage or leaking of water, gas, sewer or steam pipes, the stoppage or failure of operation of any part of the mechanical plant of the building, or heating, air conditioning, plumbing or electrical facilities, or from any acts or neglect of co-tenants or other occupants of the building, or any other persons.

14. SECURITY. LESSOR shall not be liable for any injury to the person or property of the LESSEE or any other persons caused by the criminal acts of third persons occurring at the leased premises.

15. INSURANCE.

(a) LESSEE shall, at its own expense, maintain policies of fire and extended coverage insurance on the property herein leased and on all improvements thereto in an amount equal to the full insurable value thereof, which policy shall name LESSOR as an additional insured. At the request of LESSOR at any time, LESSEE shall furnish LESSOR evidence that such insurance is in force.

(b) LESSEE shall, at its own expense, provide and keep in force general public liability insurance protecting LESSEE and LESSOR against all claims for damages to person or property or for loss of life or of property occurring upon, in, or about the leased property, the streets, gutters, sidewalks, curbs, or vaults adjacent thereto, to such limits as LESSOR may reasonably, from time to time, require in respect to injuries to any one person, in respect to any one accident or disaster or incident of negligence, and in respect to property damage. Limits of \$500,000 in respect to injuries to any one person, \$1,000,000 in respect to any one accident or disaster or incident of negligence and \$300,000 in respect to property damage are deemed reasonable as of the date hereof.

(c) LESSEE shall, at its own expense, provide and keep in force such other insurance against other insurable hazards in such amounts as may from time to time be required by LESSOR, provided that such insurable hazards are commonly insured against with respect to

similar premises, due regard being given to the height and type of construction, location, use and occupancy.

(d) With regard to the obtaining of any insurance, as above provided, LESSOR shall cooperate in obtaining insurance coverage, providing LESSEE with plans, specifications, cost figures and other relevant materials in LESSOR'S possession.

(e) Every policy or policies of insurance issued pursuant to this paragraph will be issued by a company or companies licensed in Michigan and will provide that such policy or policies will not be cancelled without the insurance company first giving LESSOR written notice thereof at least ten (10) days before such cancellation shall become effective.

(f) LESSEE agrees to protect, defend, indemnify and hold harmless LESSOR from and against any and all liabilities, losses, damages, claims, demands or judgments of any nature whatsoever arising from any injury to or the death of any person, or damage to property, in any manner growing out of or in connection with the use, non-use, condition or occupation of the leased premises or any part thereof, or the ownership, occupancy or use thereof, whether by LESSOR, LESSEE, or any other person, from and after the commencement of the term hereof until the premises are re-delivered to LESSOR upon the termination of this lease, or any extension thereof, provided, however, that LESSEE shall be relieved from and shall have no further obligation to defend and indemnify LESSOR as specified herein, if, and so long as LESSEE shall obtain and maintain in force general public liability insurance covering LESSOR as the insured, and providing the same extent and amount of coverage as LESSEE is required to obtain for itself under this paragraph.

16. COMPLIANCE WITH LAWS. LESSEE, under penalty of forfeiture and damages, agrees to promptly comply with all requirements of law and with all ordinances, regulations or orders of any state, municipal or other public authority affecting all or any part of the leased premises and with all requirements of the Board of Fire Underwriters or similar body and of any liability insurance company insuring the LESSOR against liability for accidents in or connected with all or any part of the leased premises, and LESSEE further agrees to save LESSOR harmless from any and all penalties, fines or liabilities that may result from LESSEE'S failure to so comply.

17. DESTRUCTION OF BUILDING. Under the provisions of Paragraph 15 hereof, LESSEE is required to maintain policies of fire and extended coverage insurance. In the event of any loss or damage by fire or other casualty for which the building or improvements on the premises may be insured, all amounts payable upon any policy or policies of insurance shall be paid to LESSOR. LESSEE shall, as promptly as possible thereafter, except for delays due to Acts of God, strikes or other conditions beyond LESSEE'S reasonable control, proceed to repair, rebuild and replace the same as nearly as possible and there shall be no abatement of rentals hereunder. The insurance proceeds shall be made available from LESSOR to LESSEE for construction costs. Provided, however, that if any such fire or other casualty shall occur within eighteen (18) months of termination of this lease or any renewal, and if the building shall be rendered completely untenable thereby, LESSEE may, at its option, in lieu of rebuilding the same, terminate this lease and all obligations hereunder, in which event LESSEE shall promptly

pay to LESSOR one hundred (100%) percent of the insurance proceeds received by LESSEE attributable to the building.

18. RISK OF LOSS. During the term of this lease, and any extension or renewal thereof, the risk of loss with respect to all risks insurable under a fire and extended coverage insurance policy meeting the requirements of the laws of the State of Michigan, together with the risk of loss with respect to all uninsurable losses to the premises which are subject to the control or prevention by LESSEE, shall rest upon LESSEE. (The parties agree that for purposes of interpreting the foregoing provision, an example of an uninsurable loss which shall be the responsibility of LESSEE would be LESSEE'S failure, as possessor of the premises, to detect a malfunction in the heating system during the winter, resulting in the freezing and bursting of water pipes in the premises. If the freezing and bursting of the water pipes and consequent damage flowing therefrom is not covered by the insurance required to be maintained by LESSEE, all such damages resulting therefrom are the responsibility of and must be paid for by LESSEE.)

19. SUBROGATION. LESSEE, its officers, agents or employees shall not be liable for damage to the leased premises or for interruption of rent resulting from any of the perils covered by fire and extended coverage insurance, or which would be covered if such insurance were in force, and LESSOR agrees not to sue for such damage and that every applicable policy of insurance will contain or be endorsed with the standard waiver of subrogation clause. LESSOR shall not be liable for damage to the property or business of LESSEE in or on the leased premises resulting from any of the perils covered if such insurance were in force, and LESSEE agrees not to sue for such damage and that every applicable policy of insurance will contain or be endorsed with the standard waiver of subrogation clause.

20. RIGHT TO MORTGAGE. LESSOR reserves the right to subject and subordinate this lease at all times to the lien of any mortgage or mortgages now or hereafter placed upon LESSOR'S interest in the said premises and on the land and buildings of which the said premises are a part or upon any buildings hereafter placed upon the land of which the leased premises form a part. And LESSEE covenants and agrees to execute and deliver upon demand such further instrument or instruments subordinating this lease to the lien of any such mortgage or mortgages as shall be desired by LESSOR and any mortgagees or proposed mortgagees and hereby irrevocably appoints LESSOR the attorney-in-fact of LESSEE to execute and deliver any such instrument for and in the name of LESSEE. In the event that the principal or interest upon any mortgage or mortgages upon the demised premises or any other payments required by such mortgage or mortgages to be made by LESSOR shall remain overdue and unpaid for a period of twenty-five (25) days after the same shall have become due and payable thereunder LESSEE shall have the right at its option, to pay such principal and interest to the mortgagee or mortgagees, and to make all such other payments so in default, together with the interest or penalty, if any, by reason of such default; and in any such case LESSEE will be subrogated to and be entitled to enforce all rights of the mortgagee against LESSOR and mortgagor, and in addition will be entitled to deduct the amount of any and all such payment from the rest of any other amounts due, or which may become due, under this lease until the full amount of any and all such payments and interest shall have been deducted and repaid to LESSEE. If any garnishment, lien, writ of execution, third party order, attachment or any other similar process be issued against or levied or served upon LESSEE in any action wherein LESSOR is a party, then

LESSEE may deduct from any installment or installments of rental due or thereafter becoming due hereunder all expenses and payments, including reasonable counsel fees, incurred by LESSEE in filing and disclosure, affidavit, answer, certificate, or plea, or in any other way answering or defending such garnishment, lien, writ of execution, third party order, attachment or other similar process. Nothing in this paragraph shall prevent LESSOR from, or confer any powers upon LESSEE in the event that LESSOR is, disputing in good faith any claim made against it or the fact that any mortgage payment or other payment may be due from it.

21. LIENS AND ENCUMBRANCES. LESSEE covenants that LESSEE will not create or permit to be created or to remain, and will promptly discharge, at LESSEE'S sole cost and expense, any lien, encumbrance or charge upon the leased premises or any part thereof, or upon LESSEE'S leasehold interest therein, which lien, encumbrance or charge arises out of the use or occupancy of the leased premises by LESSEE or by reason of any labor or materials furnished or claimed to have been furnished to LESSEE or by reason of any construction, alteration, addition, repair or demolition of any part of the leased premises. The existence of any construction, mechanic's, laborer's, materialman's, supplier's or vendor's lien, or any right in respect thereof, shall not constitute a violation of this paragraph, if payment is not yet due upon the contract or for the goods or services in respect of which any such lien has arisen or where there is a good faith dispute relating thereto, provided that in such event LESSEE shall promptly prosecute an action to resolve the validity of the lien. Nothing in this lease contained shall be construed as constituting the consent or request of LESSOR, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor to or for the performance of any labor or construction, alteration, addition, repair or demolition of or to the leased premises or any part thereof. Notice is hereby given that LESSOR will not be liable for any labor, services or materials furnished or to be furnished to LESSEE, or to anyone holding the leased premises or any part thereof through or under LESSEE, and that no mechanic's or other liens for any such labor or materials shall attach to the interest of LESSOR in and to the leased premises.

22. ASSIGNMENT OR SUBLETTING. The LESSEE shall not assign, mortgage, or encumber this lease, nor sublet or permit the leased property or any part thereof to be used by others, without the prior written consent of the LESSOR in each instance. If this lease is assigned, or if the leased property or any part thereof is sublet, or occupied by anybody other than the LESSEE, the LESSOR may, after default by the LESSEE, collect rent from the assignee, subtenant, or occupant and apply the net amount collected to the rent herein reserved. No such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant, or occupant as tenant, or a release of the LESSEE from the further performance by the LESSEE of the covenants in this lease. The consent by the LESSOR to an assignment or subletting shall not be construed to relieve the LESSEE from obtaining the consent in writing of the LESSOR to any further assignment or subletting.

23. EMINENT DOMAIN. If the leased premises are taken by a public authority under power of eminent domain, LESSEE shall be entitled to a pro rata refund of any rent paid in advance. LESSOR and LESSEE, in any condemnation proceedings, shall each be entitled to recover their own damages, provided that LESSEE agrees to cooperate with LESSOR in LESSOR'S attempt to recover damages in any such condemnation proceedings and to furnish any and all information that LESSOR may request in such attempt and provided further that LESSOR

agrees to cooperate with LESSEE in LESSEE'S attempt to recover damages in any such condemnation proceedings and to furnish any and all information that LESSEE may request in such attempt.

24. DEFAULT AND REPOSSESSION. If the leased property shall be deserted or vacated, or if proceedings are commenced against the LESSEE in any court under a bankruptcy act or for the appointment of a trustee or receiver of the LESSEE'S property either before or after the commencement of the lease term, or if there shall be a default in the payment of rent or any part thereof for more than five days after written notice of such default by the LESSOR, or if there shall be default in the performance of any other covenant, agreement, condition, rule or regulation herein contained or hereafter established on the part of the LESSEE for more than twenty days after written notice of such default by the LESSOR, this lease (if the LESSOR so elects) shall thereupon become null and void, and the LESSOR shall have the right to reenter or repossess the leased property, either by force, summary proceedings, surrender, or otherwise, and dispossess and remove therefrom the LESSEE, or other occupants thereof, and their effects, without being liable to any prosecution therefor. In such case, the LESSOR may, at its option, relet the leased property or any part thereof, as the agent of the LESSEE, and the LESSEE shall pay the LESSOR the difference between the rent hereby reserved and agreed to be paid by the LESSEE for the portion of the term remaining at the time of reentry or repossession and the amount, if any, received or to be received under such reletting for such portion of the term. The LESSEE hereby expressly waives the service of notice of intention to reenter or of instituting legal proceedings to that end. LESSEE agrees to pay all expenses and damages incurred by LESSOR as a result of LESSEE'S default, including LESSOR'S attorney fees.

25. CURING OF LESSEE'S DEFAULT. If LESSEE shall fail to perform any of its obligations hereunder, LESSOR may, if it so elects, and after five (5) days prior notice to LESSEE, cure such default at LESSEE'S expense, and LESSEE agrees to reimburse LESSOR (as additional rent) for all costs and expenses incurred as a result thereof upon demand.

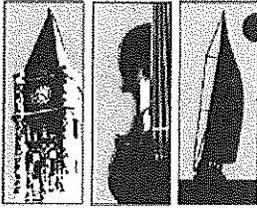
26. RIGHT TO SHOW THE PREMISES. LESSEE agrees that ninety (90) days prior to the expiration of the term of this lease, or any extension hereof, LESSOR may display in and about the demised premises "For Rent" or "For Sale" signs and may have reasonable access to the demised premises for the purpose of exhibiting same to prospective tenants.

27. SURRENDER. LESSEE shall quit and surrender the premises at the expiration of the lease term, in as good a state and condition as the premises were at the commencement of the term, reasonable use and wear thereof excepted.

28. HOLDING OVER. It is agreed that any holding over by the LESSEE upon expiration of the term of this lease or any extension hereof, shall operate as an extension of this lease from month to month only.

29. SHORT FORM OF LEASE. At the request of either LESSOR or LESSEE, the parties hereto shall execute a Short Form of lease for recording purposes. Said Short Form of lease shall contain a legal description of the demised premises and a statement of the term of this lease, a statement of the rights of LESSEE under this lease and such other provisions as LESSOR

MUSKEGON



West Michigan's Shoreline City

City of Muskegon Industrial Facilities Exemption Application Summary Sheet

Project Summary:

Engineered Aluminum Castings (owned by Port City Group), Inc, a new company located at 2121 Latimer Dr., will be making real property improvements valued at \$738,000. This investment qualifies them for a 12 year abatement on real property.

Employment Information: 0 employees

Racial Characteristics:

White	0
Minority	0
Total	0

Gender Characteristics:

Male	0
Female	0
Total	0

Total No. of Anticipated New Jobs: 55

Investment Information:

Real Property:	\$738,000
Personal Property	\$0
Total:	\$738,000

Property Tax Information: (Annual)	All Jurisdictions	City Only
Total New Taxes Generated	\$ 21,094	\$ 4,086
Value of Abatement	\$ 10,547	\$ 2,043
Total New Taxes Collected	\$ 10,547	\$ 2,043

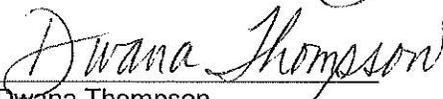
Income Tax Information: (Annual)

Total Additional Income Tax Generated: \$8,809

Company Requirements:

Adopted Affirmative Action Policy	Yes	No
Meeting w/ City Affirmative Action Director	Yes	No
Signed Tax Abatement Contract	Yes	No
Taxes Paid In Full	Yes	No
Zoning Conflicts	Yes	No


Mike Franzak
Planner III


Dwana Thompson
Affirmative Action Director

CITY OF MUSKEGON

CONTRACT FOR TAX ABATEMENT

Act 198 Public Acts of 1974

AGREEMENT between CITY OF MUSKEGON, a municipal corporation of 933 Terrace Street, Muskegon, Michigan 49441, ("City") and Engineered Aluminum Castings, Inc. ("Company").

Recitals:

- A. The Company has applied to City for the establishment of an industrial development district or industrial rehabilitation district pursuant to the provisions of Act 198 of the Public Acts of 1974, as amended, which act requires a contract between the City and the Company to be agreed and submitted with the Company's subsequent anticipated application for an industrial facilities exemption certificate.
- B. That in addition to the statutory requirement, the City has determined that it is in the best interests of the taxpayers, property owners and residents of the City that this Agreement be approved and executed prior to the establishment of the requested district, and the City deems this Contract, together with the conditions set forth in the said Act to constitute a necessary element in the City's determination whether or not to create the district.
- C. The Company intends to install the project set forth in its application ("project") which it believes qualifies for the process of establishing the district and the application for industrial facilities exemption certificate.
- D. The City, provided this Agreement is executed, will determine whether to create the district based upon the potential for the production of permanent jobs, the continuation or increase of economic activity, planning and zoning considerations and the City's general plan and intentions regarding economic development. In addition to the City policy considerations and predictions that the Company's proposed district and certificate benefit the community in those ways, the City has further determined that the contractual commitments made by the Company to thereby assist the community shall be binding on the Company and necessary to continue the tax exemption made possible by the certificate.

NOW THEREFORE THE PARTIES AGREE:

1. **COMPANY AGREEMENT.** The Company irrevocably commits to the investment, job retention and job creation promises made in its application, a copy of which is attached hereto and incorporated herein. In particular the Company agrees:

- 1.1 That 100% of the jobs shall be filled and in existence with full-time employees by a date no later than two (2) years from the date of the granting of the certificate by the State Tax Commission.
- 1.2 The Company shall meet the affirmative action goal included in the application or in any documents supplied by the City and utilized by the Company, including any additional representations made to the City Commission on or before the date two (2) years after the granting of the certificate by the State Tax Commission. It shall maintain the said levels of employment diversity during the period of the certificate.
- 1.3 The Company, by the end of two (2) years from the date of the grant of the certificate by the State Tax Commission shall have completed the investment of \$738,000 in the building improvements as shown in the application.
- 1.4 That the improvements and equipment to receive the tax abatement treatment shall be completed on or before the date two (2) years from the date of granting of the certificate by the State Tax Commission.
- 1.5 The Company shall pay its specific taxes required by the act in a timely manner, and shall not delay payments so as to incur any penalties or interest.
- 1.6 The Company shall not appeal the valuation of any real or personal property at the facility to the Michigan Tax Tribunal or the State Tax Commission.
- 1.7 The Company shall fully cooperate with the City representatives in supplying all requested and required documentation regarding jobs, investment, the meeting of all goals and the timely installation and utilization of equipment and improvements. The City shall be entitled to inspect at reasonable hours the Company's premises where the said improvements and equipment have been installed and where the said jobs are performed.
- 1.8 The Company shall maintain, during the entire period for which the tax abatement is granted, the level of jobs, affirmative action goals, production and utilization of the improvements and equipment at the site where the district has been created and for which the tax exemption has been granted.
- 1.9 The Company shall not cause or fail to cure the release of any hazardous substance, or the violation of any environmental law on its premises in the City. It shall report any releases to the appropriate governmental authority in a timely and complete manner, and provide copies of said report documentation to the City. It shall comply with all orders and actions of any governmental agency having authority.
- 1.10 The Company shall maintain the equipment and improvements so as to minimize physical or functional obsolescence.

1.11 The Company shall continue to operate its business location in the City, containing the same number of and type of jobs, for the term of the certificate.

2. **AGREEMENT BY THE CITY.** Provided this contract has been executed and further provided all applications to create the district and achieve the industrial facility exemption certificate have been properly filed, the City shall, in a timely manner, determine in a public meeting to create the district and receive, process, and approve thereafter the Company's application for an industrial facilities exemption certificate. The City may consider this contract in a meeting separate from and prior to the meeting in which the City considers the creation of the district and approval of the application for certificate. Further, the City shall require the submission of this contract signed by the Company together with its applications, before creating the district.

3. **EVENTS OF DEFAULT.** The following actions or failures to comply shall be considered events of default by the Company:

3.1 Failure to meet any of the commitments set forth above.

3.2 The closing of the Company's facilities in the City. Closing shall mean for purpose of this Agreement, the removal, without transfer to another site within the City of substantially all of the production facilities, and the elimination of substantially all the jobs created or retained thereby, which are set forth in the Company's application.

3.3 Failure to afford to the City the documentation and reporting required.

3.4 The failure to create or retain jobs, meet affirmative action goals or expend the funds on equipment and improvements as represented in the application within the times required hereby.

3.5 The bankruptcy or insolvency of the Company.

3.6 The failure to pay any and all taxes and assessments levied on the Company's property or any other taxes, local, state or federal, including but not limited to City income taxes and the withholding of said City income taxes from employees as required by the City Income Tax Ordinance.

3.7 The performance or omission of any act which would lead to revocation under MCLA 207.565, being §15 of the Act.

3.8 The violation of any provisions, promises, commitments, considerations or covenants of this Agreement.

4. **REMEDIES ON DEFAULT.** In the event of any of the above defaults the City shall have the following remedies which it may invoke without notice, except as may be reasonably required by the Company's rights to due process:

4.1 In the event of closing as determined after investigation of the facts and a public hearing, the Company shall be immediately liable for penalties to be paid forthwith to the city as determined as follows:

4.1.1 The Company shall pay to the City for prorata distribution to the taxing units experiencing the abatement, an amount equal to the difference between the industrial facilities tax which it has paid, and the total property taxes to the relevant taxing units which it would have paid, given its installations of improvements and equipment, during the years for which the certificate was in effect.

4.1.2 Immediate Revocation. The Company hereby consents to revocation to the IFT certificate before the State Tax Commission, without hearing, and the City shall submit a copy of this Agreement to the State Tax Commission in connection with its revocation procedure, giving notice that the default has occurred and immediate revocation should occur.

4.2 In the event the improvements and equipment have not been installed before the two (2) year period, in addition to the revocation procedures before the State Tax Commission, the abatement should immediately be reduced by the City proportionately, and any installations which have not been finished at the end of said two (2) year period shall not be eligible for the abatement thereafter and shall be placed on the regular tax roll.

4.3 Failure to Expend the Funds Represented. In the event, (whether or not the installations have been completed), the Company has not expended the funds it has represented on its application that it would invest for the installation of equipment, the abatement shall be reduced prorata, and any remaining value of equipment shall be placed on the regular tax roll.

4.4 Job Creation and Retention. In the event the promised number of jobs have not been created or retained at the end of the two (2) years after the grant of the certificate by the State Tax Commission, the abatement shall be proportionately reduced.

4.5 Affirmative Action Goals. In the event, after one (1) year from the grant of the certificate by the State Tax Commission, the affirmative action goals of the City for additional jobs have not been met on a prorata basis, the abatement shall be revoked.

4.6 For other violations of this Agreement or for actions or omissions by the Company amounting to grounds for revocation by statute, the City shall recommend to the State Tax Commission immediate revocation of the certificate.

4.7 Special Assessment. For any amount due to be paid to the City, under this Section 4, the Company consents that the City shall have a personal action against the Company for the said amount, and in addition, cumulatively, and not by election, the City shall have a special assessment lien on all the property of the Company personal and real, located in the City, for the collection of the amounts due as and in the manner of property taxes and in such case the collection of the said special assessment shall be accomplished by addition by the City to the Company's property tax statement regularly rendered.

5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

6. Counterparts. This Agreement may be executed in one or more counterparts. Notwithstanding such execution all such counterparts shall constitute one and the same Agreement.

7. Benefit. This Agreement shall be binding upon and inure to the benefit of the respective parties, their successors and personal representatives.

8. Effective Date. This Agreement shall be effective on the date the State of Michigan Tax Commission grants the company at Industrial Facilities Exemption Certificate.

CITY OF MUSKEGON

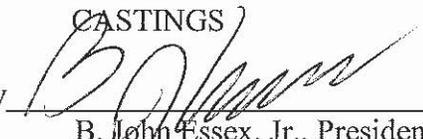
By _____
Stephen Gawron, Mayor

Date _____

and _____
Ann Cummings, Clerk

Date _____

ENGINEERED ALUMINUM
CASTINGS

By 
B. John Essex, Jr., President

Date 9-17-12

Commission Meeting Date: September 25, 2012

Date: September 20, 2012
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Public Hearing - Request for an Industrial Facilities Exemption Certificate – Muskegon Castings Corp

SUMMARY OF REQUEST:

Pursuant to Public Act 198 of 1974, as amended, Muskegon Castings Corp, 2325 S Sheridan Rd, has requested the issuance of an Industrial Facilities Tax Exemption Certificate. The total capital investment will be \$501,000 in real property and will create 10 jobs. This qualifies them for a tax abatement of 12 years.

FINANCIAL IMPACT:

The City will capture certain additional property taxes generated by the expansion (see attached Summary Sheet).

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the attached resolution granting an Industrial Facilities Exemption Certificate for a term of 12 years for real property.

COMMITTEE RECOMMENDATION:

None

Resolution No. _____

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING APPLICATION FOR ISSUANCE
OF INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
Muskegon Castings Corp.

WHEREAS, pursuant to P.A. 198 of 1974 as amended, after duly noticed public hearing held on July 26, 1983, this Commission by resolution established an Industrial Development District as requested by the City of Muskegon for Port City Industrial Park, including the property leased by Muskegon Castings Corp, 2325 S Sheridan Rd, Muskegon, Michigan 49442; and

WHEREAS, Muskegon Castings Corp has filed an application for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to building improvements within said Industrial Development District ; and

WHEREAS, said application was filed no later than six (6) months after project completion and the Muskegon City Commission held a public hearing on September 25, 2012, at the Muskegon City Hall in Muskegon, Michigan at 5:30 p.m. at which hearing the applicant, the assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, construction of the real property had not begun earlier than six (6) months before August 28, 2012, the date of acceptance of the application for the Industrial Facilities Exemption Certificate; and

WHEREAS, the real property improvements are calculated to and will have the reasonable likelihood to retain, create, or prevent the loss of employment in Muskegon, Michigan; and

WHEREAS, the aggregate SEV of real property exempt from ad valorem taxes within the City of Muskegon, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED by the Muskegon City Commission of the City of Muskegon, Michigan that:

- 1) The Muskegon City Commission finds and determines that the Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Act of 1974 as amended and Act No. 255 of the Public Acts of 1978 as amended shall not have the effect of substantially impeding the operation of the City of Muskegon or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Muskegon.
- 2) The application of Muskegon Castings Corp for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to real property improvements on the following described parcel of real property situated within the City of Muskegon to wit:

CITY OF MUSKEGON THAT PT OF NE 1/4 OF SE 1/4 SEC 34

- 3) The Industrial Facilities Tax Exemption Certificate is issued and shall be and remain in force and effect for a period of _____ years on personal property.

Adopted this 25th Day of September 2012.

Ayes:

Nays:

Absent:

BY: _____
Stephen Gawron
Mayor

ATTEST: _____
Ann Cummings
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on September 25, 2012.

Ann Cummings
Clerk

AUG 28 2012

CITY OF MUSKEGON
PLANNING DEPARTMENT

Michigan Department of Treasury
1012 (Rev. 5-07)

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) Muskegon Castings Corp.	1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3363
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 2325 S. Sheridan Rd., Muskegon, MI 49442	1d. City/Township/Village (indicate which) Muskegon
1e. County Muskegon	
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 Orchard View
3b. School Code 61190	
4. Amount of years requested for exemption (1-12 Years) 12	

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.	▶ \$501,000.00 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	▶ Personal Property Costs ▶ \$501,000.00
6c. Total Project Costs * 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 ▶	4/1/12	3/31/14	▶ <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased
Personal Property Improvements ▶			▶ <input 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. 99	10. No. of new jobs at this facility expected to create within 2 years of completion. 10
--	--

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	

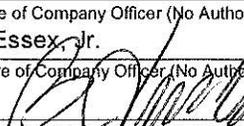
12a. Check the type of District the facility is located in:
 Industrial Development District Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit) 7/26/83	12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 Dale Keyser	13b. Telephone Number (231) 777-8704	13c. Fax Number (231) 773-3416	13d. E-mail Address dkeyser@portcitygroup.com
14a. Name of Contact Person Dale Keyser	14b. Telephone Number (231) 777-8704	14c. Fax Number (231) 773-3416	14d. E-mail Address dkeyser@portcitygroup.com
▶ 15a. Name of Company Officer (No Authorized Agents) B. John Essex, Jr.			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number (231) 777-7319	15d. Date 8/27/12
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 1985 E. Laketon Ave., Muskegon, MI 49442		15f. Telephone Number (231) 777-3941	15g. E-mail Address johnessex@portcitygroup.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 TO FORM 1012
Application for Industrial Facilities Tax Exemption
Muskegon Castings Corp.

Item 5

Muskegon Castings Corp. (MCC) is a member of a group of eight industrial firms under common ownership control located in Muskegon County, Michigan and selling products globally.

MCC operates facilities at 2325 and 2385 S. Sheridan, Muskegon, MI 49442. As part of a group expansion involving MCC and related companies, Engineered Aluminum Castings, Inc. and Alloy Resources Corp., MCC is connecting the two Sheridan locations with a 13,500 square foot building addition to provide production floor space and short-term work-in-process and finished goods storage. This will provide for growth at the MCC facility, but will also free up space for production capacity at the other related facilities by accommodating most of MCC's warehousing needs. Engineered Aluminum Castings and Alloy Resources are concurrently filing applications for abatements related to this group project.

Muskegon Casting Corp. produces aluminum die castings for the automotive and other industries. The facility uses highly automated high pressure die casting equipment, programmable machining centers and various other support equipment for downstream processes and quality control. The company is also involved in tool design, prototyping and some basic assembly.

The Sheridan properties are leased by MCC from Essex 2 B Leasing, LLC. Both companies share common ownership. The budgeted investment in the building addition is \$501,000.

MCC will retain its compliment of 99 employees, with additions of 10 jobs by the end of 2014. The expanded production capacity at the other two related companies will result in additional job additions.

ATTACHMENT TO FORM 1012
Application for Industrial Facilities Tax Exemption
Muskegon Castings Corp.

Schedule of Building Addition Costs

Building structure & excavation	\$ 357,000
Building floor	53,000
Add-on building pad concrete pad	12,000
Additional lighting and outlets	22,000
Piping	2,000
Poured wall, pit, replace concrete pad	3,000
Relocate MAU & add new heaters	38,500
Serco mechanical dock levelers	3,500
Miscellaneous	10,000
	<u>\$ 501,000</u>

Affidavit

STATE OF MICHIGAN)
) ss.
COUNTY OF MUSKEGON)

I, John Hughes certify that:

1. I am a duly appointed officer of Hughes Builders, Inc., that I am authorized to submit this Affidavit and that I have actual knowledge of the facts stated.
2. Hughes Builders, Inc. was hired by Muskegon Castings Corp. in June, 2012 to construct an addition to the building at 2325 S. Sheridan Rd., Muskegon, MI 49442 with respect to a project currently subject to a tax abatement application.
3. The work under this contract commenced on 6-28-2012.

This Affidavit was executed on August 28, 2012.

John Hughes
John Hughes, Secretary & Treasurer
Hughes Builders, Inc.

STATE OF MICHIGAN)
) ss.
COUNTY OF MUSKEGON)

John Hughes signed and acknowledged the foregoing instrument before me this 28th day of August 2012.

Stephen W. Parker
Stephen W. Parker Notary Public,
State of Michigan, County of Muskegon
My Commission Expires: 10/01/2014
Acting in the County of Muskegon

STEPHEN W PARKER
Notary Public, Muskegon County, Michigan
My Commission Expires 10/01/2014
Acting in the County of Muskegon

ATTACHMENT TO FORM 1012
Application for Industrial Facilities Tax Exemption
Muskegon Castings Corp.

Legal Description of Property

Property #: 61-24-134-400-0005-00 School Dist.: 61190
Property Addr: 2325 S SHERIDAN RD
Legal Description:

CITY OF MUSKEGON THAT PT OF NE 1/4 OF SE
1/4 SEC 34, T10N, R16W DESC AS FOL: COM
AT E 1/4 COR SD SEC, TH W 89 DEG 43 MIN
20 SEC W ALG E & W 1/4 LINE SD SEC 33 FT
TO W LINE OF SHERIDAN RD, TH S 0 DEG 48
MIN 00 SEC W ALG SD W LINE 724.67 FT FOR
POB, TH N 89 DEG 43 MIN 20 SEC W 650 FT,
TH S 0 DEG 48 MIN 00 SEC W 603.73 FT TO
S LINE OF NE 1/4 OF SE 1/4, TH S 89 DEG
55 MIN 30 SEC E ALG SD S LINE 650.03 FT
TO W LINE OF SHERIDAN RD, TH N 0 DEG 48
MIN 00 SEC E ALG SD W LINE 601.43 FT TO
POB (APPROX 9.0 ACRES) 92-587 IFT NEW EX
P 2005

LEASE

THIS INDENTURE, made effective this 1st day of April, 2011, by and between **2B Leasing, LLC**, successor to BJE, L.L.C., both Michigan limited liability companies of 1985 E. Laketon Avenue, Muskegon, Michigan 49442 ("LESSOR") and **Muskegon Castings Corp.**, a Michigan corporation, 1985 E. Laketon Avenue, Muskegon, Michigan 49442 (LESSEE).

WITNESSETH

1. DESCRIPTION OF PREMISES. That in consideration of the rents and covenants herein reserved and contained on the part of the LESSEE to be paid, performed and observed, said LESSOR hereby demises and leases to said LESSEE and LESSEE does hereby hire and take from LESSOR the premises commonly known as 2325 S. Sheridan, Muskegon, Michigan 49442, located in the City of Muskegon, County of Muskegon, State of Michigan and further described on attached Exhibit A, together with all improvements located thereon.

2. TERM. The term of this lease shall be for ten (10) years commencing on the date hereof and ending March 31, 2021, unless sooner terminated as herein provided.

3. RENT. LESSEE shall pay to LESSOR monthly installments of Seventeen Thousand, Eight Hundred Seventy Five Dollars (\$\$17,875.00) commencing on the date hereof and on the 1st day of each month thereafter until expiration of the lease. The monthly rent shall be increased by the increase in the cost of living index determined by comparing the cost of living index for the month of December, 2011, to the cost of living index for the month of December each year, commencing December, 2012. The rent adjustment shall take effect January 1st of each year, commencing January 1, 2013 and shall be in accordance with the increase in the Consumer Price Index published by the Bureau of Labor Statistics (CPI-U). The following formula shall be applied: First, the index for the month of December, 2011 shall be determined; Second, the index for the following December shall be determined; Third, a fraction shall be struck with the second index figure as the numerator and the first index figure as the denominator; Fourth, the then current monthly rent shall be multiplied by said fraction; and Fifth, the product of such multiplication shall be the amount of the monthly increase in rent for the coming year. The rent shall be payable at the office of LESSOR or at such other place as LESSOR may designate in writing. The rent shall be paid to LESSOR without abatement, deduction or set off.

4. TAXES. LESSEE shall pay as additional rent before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof, all real estate taxes, assessments, water charges and governmental levies and charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind, which are assessed or imposed upon the leased property or any part thereof, or become payable during the term of this lease. LESSEE shall furnish to LESSOR for LESSOR'S inspection within thirty (30) days after the date any amount is payable by LESSEE, as provided in this paragraph, official receipts of the appropriate taxing authority or other proof satisfactory to LESSOR evidencing payment.

5. UTILITIES. The LESSEE shall pay all charges for gas, electricity, light, heat, water, power and telephone or other communication service used, rendered or supplied upon or in connection with the leased property, and shall indemnify the LESSOR against any liability or damages on such account.

6. RIGHT OF LESSOR TO LEASE PREMISES. The LESSOR covenants and warrants that it is in lawful possession and control of said premises, and has the authority to enter into this lease agreement.

7. QUIET ENJOYMENT. LESSOR covenants that LESSEE, on payment of all the aforesaid installments and performing all the covenants aforesaid, shall and may peacefully and quietly have, hold and enjoy the said demised premises for the term hereof.

8. USE OF PREMISES. LESSEE is granted the right during the term of this lease, or any renewals hereof, to occupy and use the leased premises for any purpose not prohibited to LESSEE under any laws and regulations to which LESSEE or the leased premises are subject.

9. LESSEE'S ACCEPTANCE OF PROPERTY AS IS. LESSEE accepts the building, improvements and any equipment on or in the leased premises in their existing condition. No representation, statement or warranty, express or implied, has been made by or on behalf of LESSOR as to such condition, or as to the use that may be made of such property. In no event shall LESSOR be liable to LESSEE for any defect in such property or for limitations on its use. No representation or warranty of habitability, express or implied, has been made by or on the behalf of LESSOR to LESSEE.

10. MAINTENANCE. LESSEE shall, at its own expense, make all necessary repairs and replacements to the leased property and to the pipes, heating system, plumbing system, window glass, fixtures and all other appliances belonging thereto, all equipment used in connection with the leased property, and the sidewalks, curbs and vaults adjoining or appurtenant to the leased property. Such repairs and replacements, interior and exterior, ordinary as well as extraordinary and structural as well as nonstructural, shall be made promptly, as and when necessary. All repairs and replacements shall be in quality and class at least equal to the original work. On default of the LESSEE in making such repairs or replacements, the LESSOR may, but shall not be required to make such repairs and replacements for the LESSEE'S account, and the expenses thereof shall constitute and be collectible as additional rent.

11. ALTERATIONS OR IMPROVEMENTS. LESSEE shall not make any alterations, additions, or improvements to the premises except with the written consent of LESSOR. Any alteration, addition or improvement made by the LESSEE after such consent shall have been given, and any fixtures installed as part thereof, shall at the LESSOR'S option become the property of the LESSOR upon the expiration or other sooner termination of this lease, provided, however, that LESSOR shall have the right to require LESSEE to remove such fixtures, additions or improvements at the LESSEE'S cost upon such termination of this lease provided that in the event of any such removal, LESSEE shall make all repairs necessitated by such removal so as to leave the premises in like condition as when taken except for ordinary wear and tear.

12. PUBLIC ORDERS AND ZONING. LESSEE shall, at its own expense, make all alterations, improvements, or repairs in the leased premises that may be ordered by public authorities, or required by changes in or additions to state and local zoning ordinances.

13. MECHANICAL FAILURES. LESSOR shall not be liable for any damage to persons or property on account of the stoppage or failure of operation of any part of the mechanical plant of the building, or heating, air conditioning, plumbing or electrical facilities, whether for necessary or desirable repairs or improvements thereof, or occasioned by accident or other cause. All personal property in the demised premises shall be at the risk of LESSEE only, and LESSOR shall not be liable for any loss of or damage to said personal property, to said premises or to LESSEE arising from the bursting, stoppage or leaking of water, gas, sewer or steam pipes, the stoppage or failure of operation of any part of the mechanical plant of the building, or heating, air conditioning, plumbing or electrical facilities, or from any acts or neglect of co-tenants or other occupants of the building, or any other persons.

14. SECURITY. LESSOR shall not be liable for any injury to the person or property of the LESSEE or any other persons caused by the criminal acts of third persons occurring at the leased premises.

15. INSURANCE.

(a) LESSEE shall, at its own expense, maintain policies of fire and extended coverage insurance on the property herein leased and on all improvements thereto in an amount equal to the full insurable value thereof, which policy shall name LESSOR as an additional insured. At the request of LESSOR at any time, LESSEE shall furnish LESSOR evidence that such insurance is in force.

(b) LESSEE shall, at its own expense, provide and keep in force general public liability insurance protecting LESSEE and LESSOR against all claims for damages to person or property or for loss of life or of property occurring upon, in, or about the leased property, the streets, gutters, sidewalks, curbs, or vaults adjacent thereto, to such limits as LESSOR may reasonably, from time to time, require in respect to injuries to any one person, in respect to any one accident or disaster or incident of negligence, and in respect to property damage. Limits of \$1,000,000 in respect to injuries to any one person, \$1,000,000 in respect to any one accident or disaster or incident of negligence and \$100,000 in respect to property damage are deemed reasonable as of the date hereof.

(c) LESSEE shall, at its own expense, provide and keep in force such other insurance against other insurable hazards in such amounts as may from time to time be required by LESSOR, provided that such insurable hazards are commonly insured against with respect to similar premises, due regard being given to the height and type of construction, location, use and occupancy.

(d) With regard to the obtaining of any insurance, as above provided, LESSOR shall cooperate in obtaining insurance coverage, providing LESSEE with plans, specifications, cost figures and other relevant materials in LESSOR'S possession.

(e) Every policy or policies of insurance issued pursuant to this paragraph will be issued by a company or companies licensed in Michigan and will provide that such policy or policies will not be cancelled without the insurance company first giving LESSOR written notice thereof at least ten (10) days before such cancellation shall become effective.

(f) LESSEE agrees to protect, defend, indemnify and hold harmless LESSOR from and against any and all liabilities, losses, damages, claims, demands or judgments of any nature whatsoever arising from any injury to or the death of any person, or damage to property, in any manner growing out of or in connection with the use, non-use, condition or occupation of the leased premises or any part thereof, or the ownership, occupancy or use thereof, whether by LESSOR, LESSEE, or any other person, from and after the commencement of the term hereof until the premises are re-delivered to LESSOR upon the termination of this lease, or any extension thereof, provided, however, that LESSEE shall be relieved from and shall have no further obligation to defend and indemnify LESSOR as specified herein, if, and so long as LESSEE shall obtain and maintain in force general public liability insurance covering LESSOR as the insured, and providing the same extent and amount of coverage as LESSEE is required to obtain for itself under this paragraph.

16. COMPLIANCE WITH LAWS. LESSEE, under penalty of forfeiture and damages, agrees to promptly comply with all requirements of law and with all ordinances, regulations or orders of any state, municipal or other public authority affecting all or any part of the leased premises and with all requirements of the Board of Fire Underwriters or similar body and of any liability insurance company insuring the LESSOR against liability for accidents in or connected with all or any part of the leased premises, and LESSEE further agrees to save LESSOR harmless from any and all penalties, fines or liabilities that may result from LESSEE'S failure to so comply.

17. DESTRUCTION OF BUILDING. Under the provisions of Paragraph 15 hereof, LESSEE is required to maintain policies of fire and extended coverage insurance. In the event of any loss or damage by fire or other casualty for which the building or improvements on the premises may be insured, all amounts payable upon any policy or policies of insurance shall be paid to LESSOR. LESSEE shall, as promptly as possible thereafter, except for delays due to Acts of God, strikes or other conditions beyond LESSEE'S reasonable control, proceed to repair, rebuild and replace the same as nearly as possible and there shall be no abatement of rentals hereunder. The insurance proceeds shall be made available from LESSOR to LESSEE for construction costs. Provided, however, that if any such fire or other casualty shall occur within eighteen (18) months of termination of this lease or any renewal, and if the building shall be rendered completely untenable thereby, LESSEE may, at its option, in lieu of rebuilding the same, terminate this lease and all obligations hereunder, in which event LESSEE shall promptly pay to LESSOR one hundred (100%) percent of the insurance proceeds received by LESSEE attributable to the building.

18. RISK OF LOSS. During the term of this lease, and any extension or renewal thereof, the risk of loss with respect to all risks insurable under a fire and extended coverage insurance policy meeting the requirements of the laws of the State of Michigan, together with the risk of loss with respect to all uninsurable losses to the premises which are subject to the control or prevention by LESSEE, shall rest upon LESSEE. (The parties agree that for purposes of interpreting the foregoing provision, an example of an uninsurable loss which shall be the responsibility of LESSEE would be LESSEE'S failure, as possessor of the premises, to detect a malfunction in the heating system during the winter, resulting in the freezing and bursting of water pipes in the premises. If the freezing and bursting of the water pipes and consequent damage flowing therefrom is not covered by the insurance required to be maintained by LESSEE, all such damages resulting therefrom are the responsibility of and must be paid for by LESSEE.)

19. SUBROGATION. LESSEE, its officers, agents or employees shall not be liable for damage to the leased premises or for interruption of rent resulting from any of the perils covered by fire and extended coverage insurance, or which would be covered if such insurance were in force, and LESSOR agrees not to sue for such damage and that every applicable policy of insurance will contain or be endorsed with the standard waiver of subrogation clause. LESSOR shall not be liable for damage to the property or business of LESSEE in or on the leased premises resulting from any of the perils covered if such insurance were in force, and LESSEE agrees not to sue for such damage and that every applicable policy of insurance will contain or be endorsed with the standard waiver of subrogation clause.

20. RIGHT TO MORTGAGE. LESSOR reserves the right to subject and subordinate this lease at all times to the lien of any mortgage or mortgages now or hereafter placed upon LESSOR'S interest in the said premises and on the land and buildings of which the said premises are a part or upon any buildings hereafter placed upon the land of which the leased premises form a part. And LESSEE covenants and agrees to execute and deliver upon demand such further instrument or instruments subordinating this lease to the lien of any such mortgage or mortgages as shall be desired by LESSOR and any mortgagees or proposed mortgagees and hereby irrevocably appoints LESSOR the attorney-in-fact of LESSEE to execute and deliver any such instrument for and in the name of LESSEE. In the event that the principal or interest upon any mortgage or mortgages upon the demised premises or any other payments required by such mortgage or mortgages to be made by LESSOR shall remain overdue and unpaid for a period of twenty-five (25) days after the same shall have become due and payable thereunder LESSEE shall have the right at its option, to pay such principal and interest to the mortgagee or mortgagees, and to make all such other payments so in default, together with the interest or penalty, if any, by reason of such default; and in any such case LESSEE will be subrogated to and be entitled to enforce all rights of the mortgagee against LESSOR and mortgagor, and in addition will be entitled to deduct the amount of any and all such payment from the rest of any and other amounts due, or which may become due, under this lease until the full amount of any and all such payments and interest shall have been deducted and repaid to LESSEE. If any garnishment, lien, writ of execution, third party order, attachment or any other similar process be issued against or levied or served upon LESSEE in any action wherein LESSOR is a party, then LESSEE may deduct from any installment or installments of rental due or thereafter becoming due hereunder all expenses and payments, including reasonable counsel fees, incurred by

LESSEE in filing and disclosure, affidavit, answer, certificate, or plea, or in any other way answering or defending such garnishment, lien, writ of execution, third party order, attachment or other similar process. Nothing in this paragraph shall prevent LESSOR from, or confer any powers upon LESSEE in the event that LESSOR is, disputing in good faith any claim made against it or the fact that any mortgage payment or other payment may be due from it.

21. LIENS AND ENCUMBRANCES. LESSEE covenants that LESSEE will not create or permit to be created or to remain, and will promptly discharge, at LESSEE'S sole cost and expense, any lien, encumbrance or charge upon the leased premises or any part thereof, or upon LESSEE'S leasehold interest therein, which lien, encumbrance or charge arises out of the use or occupancy of the leased premises by LESSEE or by reason of any labor or materials furnished or claimed to have been furnished to LESSEE or by reason of any construction, alteration, addition, repair or demolition of any part of the leased premises. The existence of any construction, mechanic's, laborer's, materialman's, supplier's or vendor's lien, or any right in respect thereof, shall not constitute a violation of this paragraph, if payment is not yet due upon the contract or for the goods or services in respect of which any such lien has arisen or where there is a good faith dispute relating thereto, provided that in such event LESSEE shall promptly prosecute an action to resolve the validity of the lien. Nothing in this lease contained shall be construed as constituting the consent or request of LESSOR, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor to or for the performance of any labor or construction, alteration, addition, repair or demolition of or to the leased premises or any part thereof. Notice is hereby given that LESSOR will not be liable for any labor, services or materials furnished or to be furnished to LESSEE, or to anyone holding the leased premises or any part thereof through or under LESSEE, and that no mechanic's or other liens for any such labor or materials shall attach to the interest of LESSOR in and to the leased premises.

22. ASSIGNMENT OR SUBLETTING. The LESSEE shall not assign, mortgage, or encumber this lease, nor sublet or permit the leased property or any part thereof to be used by others, without the prior written consent of the LESSOR in each instance which shall not be unreasonably withheld. If this lease is assigned, or if the leased property or any part thereof is sublet, or occupied by anybody other than the LESSEE, the LESSOR may, after default by the LESSEE, collect rent from the assignee, subtenant, or occupant and apply the net amount collected to the rent herein reserved. No such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant, or occupant as tenant, or a release of the LESSEE from the further performance by the LESSEE of the covenants in this lease. The consent by the LESSOR to an assignment or subletting shall not be construed to relieve the LESSEE from obtaining the consent in writing of the LESSOR to any further assignment or subletting. LESSEE shall be allowed to assign or sublet this lease to any corporation or other business entity owned or controlled by Bruce J. Essex without notice or consent from LESSOR.

23. EMINENT DOMAIN. If the leased premises are taken by a public authority under power of eminent domain, LESSEE shall be entitled to a pro rata refund of any rent paid in advance. LESSOR and LESSEE, in any condemnation proceedings, shall each be entitled to recover their own damages, provided that LESSEE agrees to cooperate with LESSOR in LESSOR'S attempt to recover damages in any such condemnation proceedings and to furnish

any and all information that LESSOR may request in such attempt and provided further that LESSOR agrees to cooperate with LESSEE in LESSEE'S attempt to recover damages in any such condemnation proceedings and to furnish any and all information that LESSEE may request in such attempt.

24. DEFAULT AND REPOSSESSION. If the leased property shall be deserted or vacated, or if proceedings are commenced against the LESSEE in any court under a bankruptcy act or for the appointment of a trustee or receiver of the LESSEE'S property either before or after the commencement of the lease term, or if there shall be a default in the payment of rent or any part thereof for more than five days after written notice of such default by the LESSOR, or if there shall be default in the performance of any other covenant, agreement, condition, rule or regulation herein contained or hereafter established on the part of the LESSEE for more than twenty days after written notice of such default by the LESSOR, this lease (if the LESSOR so elects) shall thereupon become null and void, and the LESSOR shall have the right to reenter or repossess the leased property, either by force, summary proceedings, surrender, or otherwise, and dispossess and remove therefrom the LESSEE, or other occupants thereof, and their effects, without being liable to any prosecution therefor. In such case, the LESSOR may, at its option, relet the leased property or any part thereof, as the agent of the LESSEE, and the LESSEE shall pay the LESSOR the difference between the rent hereby reserved and agreed to be paid by the LESSEE for the portion of the term remaining at the time of reentry or repossession and the amount, if any, received or to be received under such reletting for such portion of the term. The LESSEE hereby expressly waives the service of notice of intention to reenter or of instituting legal proceedings to that end. LESSEE agrees to pay all expenses and damages incurred by LESSOR as a result of LESSEE'S default, including LESSOR'S attorney fees.

25. CURING OF LESSEE'S DEFAULT. If LESSEE shall fail to perform any of its obligations hereunder, LESSOR may, if it so elects, and after five (5) days prior notice to LESSEE, cure such default at LESSEE'S expense, and LESSEE agrees to reimburse LESSOR (as additional rent) for all costs and expenses incurred as a result thereof upon demand.

26. RIGHT TO SHOW THE PREMISES. LESSEE agrees that ninety (90) days prior to the expiration of the term of this lease, or any extension hereof, LESSOR may display in and about the demised premises "For Rent" or "For Sale" signs and may have reasonable access to the demised premises for the purpose of exhibiting same to prospective tenants.

27. SURRENDER. LESSEE shall quit and surrender the premises at the expiration of the lease term, in as good a state and condition as the premises were at the commencement of the term, reasonable use and wear thereof excepted.

28. HOLDING OVER. It is agreed that any holding over by the LESSEE upon expiration of the term of this lease or any extension hereof, shall operate as an extension of this lease from month to month only.

29. SHORT FORM OF LEASE. At the request of either LESSOR or LESSEE, the parties hereto shall execute a Short Form of Lease for recording purposes. Said Short Form of

Lease shall contain a legal description of the demised premises and a statement of the term of this lease, a statement of the rights of LESSEE under this lease and such other provisions as LESSOR and LESSEE shall deem it advisable to include. In the event that commencement date or the termination date of this lease has not been precisely determined at the time of the execution of the Short Form of Lease, either party hereto may request and both parties shall execute a modification thereto at any subsequent time by which the term of this lease shall be precisely specified.

30. NOTICES. Any notice required to be given in writing under the provisions of this lease shall be deemed to be delivered if given personally to the party entitled to such notice or if deposited in the U.S. mail and addressed with the business address of the party entitled to such notice with postage thereon fully prepaid.

31. WAIVER. One or more waivers of any covenant or condition by LESSOR shall not be construed as a waiver of a subsequent breach of the same covenant or condition.

32. LAWS OF MICHIGAN TO GOVERN. This lease agreement shall be interpreted under the laws of the State of Michigan.

33. BINDING UPON SUCCESSORS AND ASSIGNS. This lease shall be binding upon the parties hereto and their respective heirs, administrators, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the LESSOR and LESSEE have caused this indenture to be executed the day and year first above written.

LESSOR
2B Leasing, LLC
a Michigan limited liability company

By 
Bruce J. Essex, Co-Manager

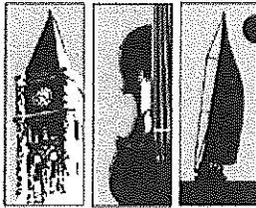
And 
Bruce J. Essex, Jr., Co-Manager

being all of its members

LESSEE -
Muskegon Castings Corp.
a Michigan Corporation

By 
Bruce J. Essex, Jr.
Its President

MUSKEGON



West Michigan's Shoreline City

City of Muskegon Industrial Facilities Exemption Application Summary Sheet

Project Summary:

Muskegon Castings Corp (owned by Port City Group), located at 2325 S Sheridan Rd., will be making real property improvements valued at \$501,000. This investment qualifies them for a 12 year abatement on real property.

Employment Information: 111 employees

Racial Characteristics:

White	88 (79%)
Minority	23 (21%)
Total	111

Gender Characteristics:

Male	69 (62%)
Female	42 (38%)
Total	111

Total No. of Anticipated New Jobs: 10

Investment Information:

Real Property:	\$501,000
Personal Property	\$0
Total:	\$501,000

Property Tax Information: (Annual)	All Jurisdictions	City Only
Total New Taxes Generated	\$ 14,320	\$ 2,774
Value of Abatement	\$ 7,160	\$ 1,387
Total New Taxes Collected	\$ 7,160	\$ 1,387

Income Tax Information: (Annual)

Total Additional Income Tax Generated: \$1,601

Company Requirements:

Adopted Affirmative Action Policy	Yes	No
Meeting w/ City Affirmative Action Director	Yes	No
Signed Tax Abatement Contract	Yes	No
Taxes Paid In Full	Yes	No
Zoning Conflicts	Yes	No


Mike Franzak
Planner III


Dwana Thompson
Affirmative Action Director

CITY OF MUSKEGON

CONTRACT FOR TAX ABATEMENT

Act 198 Public Acts of 1974

AGREEMENT between CITY OF MUSKEGON, a municipal corporation of 933 Terrace Street, Muskegon, Michigan 49441, (“City”) and Muskegon Castings Corp. (“Company”).

Recitals:

- A. The Company has applied to City for the establishment of an industrial development district or industrial rehabilitation district pursuant to the provisions of Act 198 of the Public Acts of 1974, as amended, which act requires a contract between the City and the Company to be agreed and submitted with the Company’s subsequent anticipated application for an industrial facilities exemption certificate.
- B. That in addition to the statutory requirement, the City has determined that it is in the best interests of the taxpayers, property owners and residents of the City that this Agreement be approved and executed prior to the establishment of the requested district, and the City deems this Contract, together with the conditions set forth in the said Act to constitute a necessary element in the City’s determination whether or not to create the district.
- C. The Company intends to install the project set forth in its application (“project”) which it believes qualifies for the process of establishing the district and the application for industrial facilities exemption certificate.
- D. The City, provided this Agreement is executed, will determine whether to create the district based upon the potential for the production of permanent jobs, the continuation or increase of economic activity, planning and zoning considerations and the City’s general plan and intentions regarding economic development. In addition to the City policy considerations and predictions that the Company’s proposed district and certificate benefit the community in those ways, the City has further determined that the contractual commitments made by the Company to thereby assist the community shall be binding on the Company and necessary to continue the tax exemption made possible by the certificate.

NOW THEREFORE THE PARTIES AGREE:

1. **COMPANY AGREEMENT.** The Company irrevocably commits to the investment, job retention and job creation promises made in its application, a copy of which is attached hereto and incorporated herein. In particular the Company agrees:

- 1.1 That 100% of the jobs shall be filled and in existence with full-time employees by a date no later than two (2) years from the date of the granting of the certificate by the State Tax Commission.
- 1.2 The Company shall meet the affirmative action goal included in the application or in any documents supplied by the City and utilized by the Company, including any additional representations made to the City Commission on or before the date two (2) years after the granting of the certificate by the State Tax Commission. It shall maintain the said levels of employment diversity during the period of the certificate.
- 1.3 The Company, by the end of two (2) years from the date of the grant of the certificate by the State Tax Commission shall have completed the investment of \$501,000 in the building improvements as shown in the application.
- 1.4 That the improvements and equipment to receive the tax abatement treatment shall be completed on or before the date two (2) years from the date of granting of the certificate by the State Tax Commission.
- 1.5 The Company shall pay its specific taxes required by the act in a timely manner, and shall not delay payments so as to incur any penalties or interest.
- 1.6 The Company shall not appeal the valuation of any real or personal property at the facility to the Michigan Tax Tribunal or the State Tax Commission.
- 1.7 The Company shall fully cooperate with the City representatives in supplying all requested and required documentation regarding jobs, investment, the meeting of all goals and the timely installation and utilization of equipment and improvements. The City shall be entitled to inspect at reasonable hours the Company's premises where the said improvements and equipment have been installed and where the said jobs are performed.
- 1.8 The Company shall maintain, during the entire period for which the tax abatement is granted, the level of jobs, affirmative action goals, production and utilization of the improvements and equipment at the site where the district has been created and for which the tax exemption has been granted.
- 1.9 The Company shall not cause or fail to cure the release of any hazardous substance, or the violation of any environmental law on its premises in the City. It shall report any releases to the appropriate governmental authority in a timely and complete manner, and provide copies of said report documentation to the City. It shall comply with all orders and actions of any governmental agency having authority.
- 1.10 The Company shall maintain the equipment and improvements so as to minimize physical or functional obsolescence.

1.11 The Company shall continue to operate its business location in the City, containing the same number of and type of jobs, for the term of the certificate.

2. **AGREEMENT BY THE CITY.** Provided this contract has been executed and further provided all applications to create the district and achieve the industrial facility exemption certificate have been properly filed, the City shall, in a timely manner, determine in a public meeting to create the district and receive, process, and approve thereafter the Company's application for an industrial facilities exemption certificate. The City may consider this contract in a meeting separate from and prior to the meeting in which the City considers the creation of the district and approval of the application for certificate. Further, the City shall require the submission of this contract signed by the Company together with its applications, before creating the district.

3. **EVENTS OF DEFAULT.** The following actions or failures to comply shall be considered events of default by the Company:

3.1 Failure to meet any of the commitments set forth above.

3.2 The closing of the Company's facilities in the City. Closing shall mean for purpose of this Agreement, the removal, without transfer to another site within the City of substantially all of the production facilities, and the elimination of substantially all the jobs created or retained thereby, which are set forth in the Company's application.

3.3 Failure to afford to the City the documentation and reporting required.

3.4 The failure to create or retain jobs, meet affirmative action goals or expend the funds on equipment and improvements as represented in the application within the times required hereby.

3.5 The bankruptcy or insolvency of the Company.

3.6 The failure to pay any and all taxes and assessments levied on the Company's property or any other taxes, local, state or federal, including but not limited to City income taxes and the withholding of said City income taxes from employees as required by the City Income Tax Ordinance.

3.7 The performance or omission of any act which would lead to revocation under MCLA 207.565, being §15 of the Act.

3.8 The violation of any provisions, promises, commitments, considerations or covenants of this Agreement.

4. **REMEDIES ON DEFAULT.** In the event of any of the above defaults the City shall have the following remedies which it may invoke without notice, except as may be reasonably required by the Company's rights to due process:

4.1 In the event of closing as determined after investigation of the facts and a public hearing, the Company shall be immediately liable for penalties to be paid forthwith to the city as determined as follows:

4.1.1 The Company shall pay to the City for prorata distribution to the taxing units experiencing the abatement, an amount equal to the difference between the industrial facilities tax which it has paid, and the total property taxes to the relevant taxing units which it would have paid, given its installations of improvements and equipment, during the years for which the certificate was in effect.

4.1.2 Immediate Revocation. The Company hereby consents to revocation to the IFT certificate before the State Tax Commission, without hearing, and the City shall submit a copy of this Agreement to the State Tax Commission in connection with its revocation procedure, giving notice that the default has occurred and immediate revocation should occur.

4.2 In the event the improvements and equipment have not been installed before the two (2) year period, in addition to the revocation procedures before the State Tax Commission, the abatement should immediately be reduced by the City proportionately, and any installations which have not been finished at the end of said two (2) year period shall not be eligible for the abatement thereafter and shall be placed on the regular tax roll.

4.3 Failure to Expend the Funds Represented. In the event, (whether or not the installations have been completed), the Company has not expended the funds it has represented on its application that it would invest for the installation of equipment, the abatement shall be reduced prorata, and any remaining value of equipment shall be placed on the regular tax roll.

4.4 Job Creation and Retention. In the event the promised number of jobs have not been created or retained at the end of the two (2) years after the grant of the certificate by the State Tax Commission, the abatement shall be proportionately reduced.

4.5 Affirmative Action Goals. In the event, after one (1) year from the grant of the certificate by the State Tax Commission, the affirmative action goals of the City for additional jobs have not been met on a prorata basis, the abatement shall be revoked.

4.6 For other violations of this Agreement or for actions or omissions by the Company amounting to grounds for revocation by statute, the City shall recommend to the State Tax Commission immediate revocation of the certificate.

- 4.7 Special Assessment. For any amount due to be paid to the City, under this Section 4, the Company consents that the City shall have a personal action against the Company for the said amount, and in addition, cumulatively, and not by election, the City shall have a special assessment lien on all the property of the Company personal and real, located in the City, for the collection of the amounts due as and in the manner of property taxes and in such case the collection of the said special assessment shall be accomplished by addition by the City to the Company's property tax statement regularly rendered.

- 5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

- 6. Counterparts. This Agreement may be executed in one or more counterparts. Notwithstanding such execution all such counterparts shall constitute one and the same Agreement.

- 7. Benefit. This Agreement shall be binding upon and inure to the benefit of the respective parties, their successors and personal representatives.

- 8. Effective Date. This Agreement shall be effective on the date the State of Michigan Tax Commission grants the company at Industrial Facilities Exemption Certificate.

CITY OF MUSKEGON

By _____
 Stephen Gawron, Mayor

Date _____

and _____
 Ann Cummings, Clerk

Date _____

MUSKEGON CASTINGS CORP.

By 
 B. John Essex, Jr., President

Date 9-17-12

Date: September 25, 2012
To: Honorable Mayor and City Commissioners
From: Ann Cummings, City Clerk
RE: 2013 National League of Cities
Membership Dues

SUMMARY OF REQUEST: The 2013 National League of Cities Membership Renewal Notice has been received.

FINANCIAL IMPACT: \$3,258.

BUDGET ACTION REQUIRED: This has not been budgeted for.

STAFF RECOMMENDATION: None.



1301 Pennsylvania Ave., NW, Washington, DC 20004-1763 | 202-626-3000 | Fax: 202-626-3043 | www.nlc.org

Membership Renewal Statement

Ann Marie Becker
 City Clerk
 City of Muskegon
 PO Box 536
 933 Terrace St.
 Muskegon, MI 49443-0536

Date: 08/28/2012
 Invoice #: 85145
 Member #: 0000021980
 Member Since: 01/01/1970
 Membership Expiration: 12/31/2012

FIRST NOTICE

Thank you for your participation in our association. Please take this time to convey the importance of this membership to you and your elected officials and renew today. TO MAINTAIN MEMBERSHIP WITH THE NATIONAL LEAGUE OF CITIES, YOUR MUNICIPALITY MUST BE A MEMBER IN GOOD STANDING WITH YOUR STATE MUNICIPAL LEAGUE. For more information, contact Member Services at memberservices@nlc.org or 202-626-3100.

Sincerely,
 Donald J. Borut
 Executive Director

Description	Quantity	Price	Discount	Amount
Direct Member Dues	1	\$3,258.00	\$0.00	\$3,258.00

Invoice Total	\$3,258.00
Amount Paid	\$0.00
PLEASE PAY	\$3,258.00
LDF Contribution (5% of Dues = \$162.90)	\$ _____
TOTAL	\$ _____

The Legal Defense Fund is supported in part by voluntary contributions from NLC members. Funds collected will cover fees for carefully selected litigation on behalf of municipalities where a court decision or regulatory ruling could have a significant impact. The NLC board suggests a contribution equal to 5% of a member city's annual dues. However, contributions of any size are welcome.

PLEASE DETACH AND REMIT WITH YOUR PAYMENT

Invoice #: 85145

Member #: 0000021980

Ann Marie Becker
 City Clerk
 City of Muskegon
 PO Box 536
 933 Terrace St.
 Muskegon, MI 49443-0536

Select Payment Method	
<input type="checkbox"/>	Check Enclosed (Made payable to National League of Cities)
<input type="checkbox"/>	Visa <input type="checkbox"/> MC <input type="checkbox"/> Amex Exp Date ___/___
Card # _____	CVV: _____
Card Holder's Name _____	
Card Holder's Signature _____	

Remit Payment To:

MEMBERSHIP LOCKBOX 4047

National League of Cities, PO Box 17425, Baltimore, MD 21298-8220

Total Due: **\$3,258.00**

Amt Remitted : _____

MEMBER BENEFITS AT-A-GLANCE FOR YOUR CITY'S LEADERSHIP TEAM

The National League of Cities offers your city's elected officials and staff a vast array of programs, services, and volunteer opportunities that strengthen and promote your community.

SHARE GREAT IDEAS

Network with other officials who have similar interests at NLC meetings and online to get information on what works and what does not through our:

- Policy and Advocacy Committees
- Member Networking Councils
- CityFutures Panels
- Constituency Groups
- Council on Youth, Education, and Families
- Leadership Training Council
- International Council
- Peer Networking Groups
- Issue-Specific Member Networks
- Annual Congress of Cities & Exposition
- Annual Congressional City Conference

SOLVE YOUR CITY'S PROBLEMS

Access a wealth of information about issues that matter to your community through a variety of NLC resources such as:

- Research Briefs, Tool Kits, and Action Guides
- Audioconferences
- Conference Workshops
- Institute for Youth, Education, and Families
- Mobile Workshops Highlighting City Programs
- Nation's Cities Weekly newspaper
- NLC Staff, Associate Members, and Corporate Partners
- NLC Website
- Surveys and Research Reports
- Technical Assistance Projects
- Webcasts and Web Seminars

PROTECT YOUR CITY'S RIGHTS AND RESOURCES

Stay informed about federal actions that affect your city and learn how to influence federal policy from our:

- Advocacy Training
- Biweekly Federal Relations Update
- Legislative Action Center
- Legal Defense Fund
- Legislative Action Alerts

SHARPEN YOUR LEADERSHIP SKILLS

Learn new skills, enhance your job performance, and serve your citizens better by obtaining training at NLC conferences and seminars including our:

- Annual Congress of Cities and Exposition
- Annual Congressional City Conference
- Annual Leadership Summit
- Biennial Summit on Your City's Families
- Pre-conference Leadership Training Institute Seminars
- Regional Training Seminars

GET THE RECOGNITION YOU DESERVE

Receive recognition for your special achievements and learn about other best practices that can be replicated in your community through our:

- Awards Recognition Letter Initiative
- Certificate of Achievement in Leadership Excellence
- City Showcase of Successful Programs
- Press coverage of programs and achievements
- NLC Leadership Opportunities
- NLC Membership Milestone Awards
- National Black Caucus of Local Elected Officials' City Cultural Diversity Awards
- Women in Municipal Government Leadership Award

CONNECT WITH THE BROADER MUNICIPAL COMMUNITY

Be a part of national and international municipal programs and initiatives through our outreach and collaborative activities with:

- International Fellowship Programs
- Other National Organizations Concerned about Cities
- State Municipal Leagues
- United Cities and Local Governments—a Global Network of Cities
- Various Commissions and Study Groups

BENEFIT FROM OTHER MEMBER PROGRAMS

Take advantage of other NLC programs (mostly free) that offer services and opportunities including:

- Discounted America Downtown® Service
- NLC Community Showcase Video Program
- National Citizen Survey Polling Service
- NLC Prescription Discount Card Program
- NLC Procurement Card Program
- U.S. Communities Government Purchasing Alliance
- NLC Service Line Warranty Program
- Public Finance Authority

ENJOY SPECIAL MEMBERS-ONLY BENEFITS

Remember that only members are eligible for:

- Appointments to most NLC Committees, Councils, and Panels
- Discounted Conference and Seminar Registration Fees
- Election to NLC and Constituency Group Leadership Positions
- City Showcase Registration (Fee waived)
- Nation's Cities Weekly subscription
- Leadership Training Institute Scholarships
- NLC Awards and Certificate Programs
- Voting Rights at NLC's Annual Business Meeting on Policies, Resolutions and Leadership Elections
- NLC Prescription Discount Card Program