



CITY of NOVI CITY COUNCIL

Agenda Item 1
August 25, 2014

SUBJECT: Approval of Resolution to establish Industrial Development District for Harman Becker Automotive Systems, Inc. at the northwest corner of M-5 and 13 Mile Road.

SUBMITTING DEPARTMENT: Neighborhood and Business Relations

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

Harman Becker is a world leader in developing automotive internal audio sounds. The company designs, manufactures, and markets premier audio, visual, infotainment, and integrated control solutions for the automotive, consumer, and professional markets. More than 80 percent of the world's luxury cars are equipped with their premium audio and infotainment systems.

Harman Becker is looking to build a new facility in Novi. The proposed facility would be 188,000 square feet, located on the corner of 13 Mile Rd and M-5, near Cabot Drive. The total proposed investment for this project, including both land acquisition (by lease) and building and related improvements, is \$52,589,000 over five years. The cost to construct and equip the new facility alone is over \$37 million dollars. The company plans to commence construction in October 2014 (pending plan reviews by the City), and hopes to achieve occupancy in the third quarter of 2015.

The company currently operates a total of seven facilities between Novi and Farmington Hills. They will consolidate six of the seven facilities in a new, state-of-the-art facility in Novi, which would have the capacity for the existing 700+ employees. There are currently 441 employees in the existing Novi facilities, approximately 360 employees will come from the Farmington Hills facilities. Harman expects to create up to 150 new positions over the next three years, anticipated grand total of 950.

Harman Becker is asking for a real and personal property tax abatement under PA 198. The abatement incentives under this Act are approximately a fifty-percent abatement of the local taxes on the new facility (but not the land itself). Under the City's tax abatement policy, an abatement could be considered as there is new investment and new jobs are involved. Harman Becker is asking specifically for a 12-year abatement of its taxes. According to the City's policy and guidelines for tax abatements, the \$37 million dollar investment and 150 new job creation qualifies the company for the maximum consideration of a 12-year abatement .

The process for approving an abatement involves two separate steps: First, establishing the Industrial Development District, and second determining whether to grant an Industrial Facilities Tax abatement. Council will be considering only Step One (establishment of the District) on August 25. **However**, because it is ultimately up to the State Tax Commission (STC) to determine whether to grant the application for exemption once the District is created, this first stage is an important one for the City in determining if the abatement is acceptable and appropriate (creating the District). To assist the City Council in its review of this question, the following information is attached:

- The City of Novi Property Tax Abatement Policy.

- The Letter Request to establish the Industrial Development District as submitted by Harman (Northern Equity Group/Haggerty Corridor Partners).
- The architectural renderings for the proposed building.
- Correspondence dated June 26, 2014, from the Michigan Economic Development Corporation (MEDC) relating to incentives provided to Harman under the Michigan Business Development Program.
- A "Customized Tax Estimate" prepared by the Michigan Economic Development Corporation indicating the value of the abatements over a 12-year period. Note that these reflect an annual tax abatement of local City of Novi taxes of between \$304,883 and \$462,434 per year.
- A Staffing and Investment Chart from Michigan Economic Development Corporation
- Additional information from Harman regarding its proposed use and the benefits that it believes will accrue to the City from its project.
- Notice of Public Hearing and Letters to Taxing Jurisdictions

If the City Council determines to establish the Industrial Development District, its action at this meeting will be to approve the Resolution Establishing the Industrial Development District. If that Resolution is adopted, the next action of the City Council would be to set another hearing, for September 15, 2014, at which it would then consider the formal application of Harman Becker for the exemption certification. Additional notices will be sent out, and another hearing will be held by the City Council, at which point the Council would consider a second resolution approving the application for exemption and also authorizing and approving a written agreement to be entered into between the City and Harman. That approval would then be sent to the State Tax Commission, which would make the final determination on whether to grant the application.

A public hearing for the district formation is scheduled and will occur August 25, 2014. Agenda notices for the public hearing to consider the establishment of the Industrial Development District for Harman Becker were mailed via certified mailed to all taxing jurisdictions on August 14, 2014. The notice was also published in the Novi News on August 21.

RECOMMENDED ACTION: Approval of Resolution to establish Industrial Development District for Harman Becker Automotive Systems, Inc. at the northwest corner of M-5 and 13 Mile Road.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Markham				
Council Member Mutch				
Council Member Wrobel				

City of Novi

County of Oakland, Michigan

RESOLUTION ESTABLISHING INDUSTRIAL DEVELOPMENT DISTRICT

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on August 25, 2014, at _____ o'clock P.M. Prevailing Eastern Time.

PRESENT:

Councilmembers _____

ABSENT:

Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

WHEREAS, pursuant to Act No. 198 of the Public Acts of 1974, as amended, this City Council has the authority to establish "Industrial Development Districts" within the City; and

WHEREAS, Harman Becker Automotive Systems, Inc. has petitioned this City Council to establish an Industrial Development District on property located in the City of Novi hereinafter described; and

WHEREAS, construction, acquisitions, alterations, or installation of a proposed facility had not commenced at the time of filing the request to establish this district; and

WHEREAS, written notice has been given by mail to all owners of real property located within the district, and to the public by newspaper advertisement and/or public posting of the hearing on the establishment of the proposed district; and

WHEREAS, on August 25, 2014, a public hearing was held at which all of the owners of real property within the proposed Industrial Development District and all residents and

taxpayers of the City, and the representatives of other taxing jurisdictions, were afforded an opportunity to be heard thereon; and

WHEREAS, the City Council deems it to be in the public interest of the City to establish the Industrial Development District as proposed;

NOW, THEREFORE, BE IT RESOLVED that by the City Council of the City of Novi that the following described parcel of land situated in the City of Novi, County of Oakland, and State of Michigan, to wit:

[legal description]

Be and here is established as an Industrial Development District pursuant to the provision of Act No. 198 of the Public Acts of 1974 to be known as the Novi Industrial Development District No. ____.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Maryanne Cornelius, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi at a regular meeting held this 25th day of August, 2014, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Maryanne Cornelius, City Clerk
City of Novi



City of Novi

Property Tax Abatements

September, 2008

Contact: Lauren Royston, Economic Development Director
lroyston@cityofnovi.org (248) 347-0583

There are several types of property tax abatements available. One such abatement, available pursuant to PA 198 of 1974, is an incentive provided primarily to build new plants in Michigan or renovate and expand assembly and manufacturing, and research plants. The incentive comes in the form of abated property taxes. The value of the project added will produce 50% of the property taxes for a set period of time and then resume to the full tax value at the end of the abatement period.

In order to continue the high quality that is expected by Novi residents and the business community, abatements that do not meet the criteria set forth in the City's Tax Abatement Policy cannot be recommended unless there are unique or strategic additional reasons. Property taxes and state shared revenue monies are the City's two primary revenue sources to provide service that help make us attractive. ***Novi already has one of the lowest city property tax rates (10.5416 mills) of comparable communities while providing the exceptional services and prime location that are foremost in business investment design.***

PA 198 is just one way that local communities can access state incentives. Historically, the City of Novi has utilized this tool on a few occasions. It is the policy of the City of Novi to consider property tax abatements for large, high quality investors with considerable long range and ancillary benefit. For more information on other state incentives available to qualifying businesses, please contact Lauren Royston at (248) 347-0583 to set up a joint meeting with an MEDC representative to discuss in detail.

Criteria

Novi has developed a policy for the possible consideration of tax abatements with goals focused on:

- **Exceptional projects**
- **Rehabilitation**
- **Significant capital investment**
- **High-end salary employment**
- **Architectural excellence**

Oakland County's "Emerging Sectors Strategy" identifies the top ten growth sectors and targets the top companies within each sector, prioritized by companies most likely to consider expanding their business into Oakland County. Those sectors include: Advanced Electronics & Controls, Advanced Materials & Chemicals Alternative Energy & Power Generation, Automotive R & D, Biotechnology, Communications & Information Technology, Homeland Security, Medical Devices & Instrumentation, Micro/Nanotechnology, and Robotics/Automation. Novi shares the County's vision of attracting and developing these types of high-tech businesses along with the workforce.

Brownfield Redevelopment

Brownfields are typically abandoned or under-used industrial land where expansion or redevelopment is complicated by real or perceived environmental contaminations. Brownfields are a way to utilize funds for encouraging redevelopment. Brownfield projects for the purpose of non-residential, commercial development that create a high quality, non-residential development with immediate use are encouraged and would be reviewed on an individual basis. The City of Novi is open to discussion of establishment of a Brownfield Redevelopment Authority in appropriate circumstances on appropriate, qualifying sites.

Michigan Business Development Program

The Michigan Business Development Program is an incentive program available to eligible businesses that create qualified new jobs and/or make qualified new investment in Michigan. The Michigan Business Development Program is a new incentive program available from the Michigan Strategic Fund (MSF), in cooperation with the Michigan Economic Development Corporation (MEDC). The program is designed to provide grants, loans or other economic assistance to businesses for highly competitive projects in Michigan that create jobs and/or provide investment.

City of Novi Tax Abatement Policy

Tax Abatement Statement of Purpose

The City of Novi established this policy in order to permit the possible consideration of tax abatement incentives for certain exceptional projects that propose to locate/relocate in the City of Novi. Possible consideration of any tax abatement or any form of local participation with the Michigan Economic Growth Authority will be on a limited basis.

To qualify for the possible consideration of tax abatement under the Plant Rehabilitation and Industrial Development Districts Act, PA 198 of 1974, an applicant must first meet the eligibility requirements. If an application meets such requirements, the application may be reviewed on its own individual merits with respect to the degree to which the project achieves the economic development goals and satisfies the criteria outlined in this policy. Applicants must bear the quantitative burden of proof to demonstrate that exceptional economic benefits will accrue to the City of Novi as a result of a tax abatement approval. Such proposals must specifically relate to the City Council's Tax Abatement Goals and Guidelines. Applicants must substantially satisfy conditions of the policy at initial application in order to be considered for abatement.

Historically, the City of Novi has utilized this tool on a few occasions. It is the policy of the City of Novi to consider property tax abatements for large, high quality investors with considerable long range and ancillary benefit.

In order to continue the high quality that is expected by Novi residents and the business community, abatements that do not meet the criteria set forth in the City's Tax Abatement Policy cannot be recommended unless there are unique or strategic additional reasons. Property taxes and state shared revenue monies are the City's two primary revenue sources to provide service that help make us attractive.

Review of applications shall be as required by statute. When the Novi City Council reviews a tax abatement application, it may approve, deny, or approve the proposal with conditions within the time specified by statute.

Following such review, the City Council may consider necessary actions for a tax abatement or participation with other government incentives. All procedures, rights and obligations concerning such exemptions are subject to the Plant Rehabilitation and Industrial Development Districts Act, PA 198 of 1974, as amended.

The maximum number of years abatement may be granted is twelve (12), which is the statutory maximum as of the date of this policy.

Tax Abatement Goals

The City of Novi may establish a Plant Rehabilitation and industrial Development District or participate with any other governmental incentive for any of the following reasons:

- A. To attract exceptional projects to the City of Novi in order to provide a greater tax base, without creating a high demand for city services and city-funded infrastructure improvements.
- B. To promote the preservation of natural resources that exceeds the requirements of the City of Novi's environmental regulations, and achieves a higher level of preservation of natural environmental features as identified in Novi's 2020 Master Plan for Land Use and Wildlife Habitat Plan.
- C. To promote the rehabilitation of obsolete facilities and/or expanding of existing facilities that provides significant benefits to the community, without creating a high demand for city services and city-funded infrastructure improvements.
- D. To encourage and promote significant capital investments that will serve as a catalyst for other significant investments within the community.
- E. To create or retain a significant number of employment opportunities within the community that offer competitive wages within the industry.

F. To promote architectural excellence that demonstrates state of the art design, placement, sense of place, form, scale and identity that exceed City standards.

Application Criteria

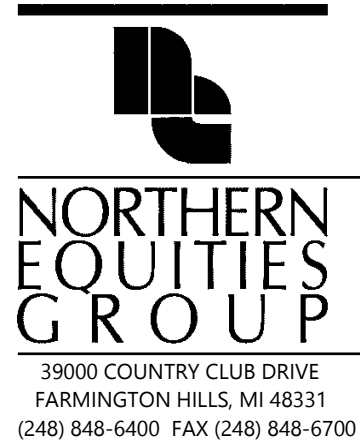
The following criteria will be used to evaluate requests for tax abatement and determination of the number of years of the abatement. The City Council reserves the right to modify the tax abatement criteria to reflect changing objectives, priorities or conditions of the community. All of the following items would need to be initially addressed by the applicant before consideration can move forward.

- A. A project must not have started more than 6 months before an application for abatement was received by the City, and be located in a plant rehabilitation district or industrial development district established prior to the commencement of the project.
- B. There must be no outstanding taxes owed by the applicant or entity on the project.
- C. If the facility is leased, the number of years awarded will not exceed the length of the lease.
- D. There is no pending or current litigation, including but not limited to property tax appeals, against the City by the applicant or its agents.
- E. Tax incentives will only be offered for the current phase of a project.
- F. The project must be fiscally beneficial to Novi from a tax revenue standpoint and must have the potential to increase employment opportunities for citizens of the community.
- G. The company must demonstrate it would not locate or expand in the City if tax abatement was not available.
- H. The cost disparity between expanding or locating in Novi and alternative locations outside the community must be demonstrated by the applicant.
- I. The long term impact of the project on Novi's economy, particularly in both real and personal property.
- J. The contributions the business has made to communities where it is currently located (i.e., are they a good neighbor. do they get involved in civic activities).
- K. Diversification of the tax base that will have the effect of developing both real and personal property to Novi's tax base.
- L. The development will provide enhanced opportunities for the existing business community.
- M. Evidence of corporate ongoing profitability, viability and vitality must be demonstrated, such as net profit, by percentage, and in real dollars for the last three corporate fiscal years.
- N. Applicants are to provide a fiscal impact analysis that demonstrates the positive impacts to the community and where the benefits outweigh the abated amount in taxes for the duration of the abatement.
- O. Any approved tax abatements will undergo a yearly compliance review.
- P. The applicant must be committed to the community for the entire term of the tax abatement and into the future. Evidence of this involvement would need to occur once abatement is awarded to applicant.
- Q. The granting of the industrial facilities exemption certificate, considered together with the aggregate amount of industrial facilities exemption certificates previously granted and currently in force, shall not have the effect of substantially impeding the operation of the City.

VIA ELECTRONIC MAIL

August 12, 2014

City Clerk
City of Novi
45175 W. Ten Mile Road
Novi, MI 48375



Re: HCP Land LLC and HCP/HBAS Building LLC, each, a division of
Haggerty Corridor Partners, LLC

Dear Clerk,

HCP Land LLC, a Michigan limited liability company (the “Company”), as owner of the property described on Exhibit A attached hereto (the “Property”), hereby requests that the Novi City Council establish an industrial development district for the Property pursuant to Act 198 of 1974, as amended, MCL 207.554.

In the event that the City Council establishes the requested industrial development district, Harman Becker Automotive Systems, Inc. (“Harman Becker”) intends to apply for the issuance of an industrial facilities exemption certificate for the real property investment to be made in connection with the construction and occupancy of a building HCP/HBAS Building LLC (“Landlord”) intends to lease to Harman Becker for its new Novi headquarters facility. The Company will transfer Property to Landlord prior to or upon closing of construction loan.

Sincerely yours,

Matthew Sosin
Vice President, HCP Land LLC, HCP/HBAS Building LLC & Haggerty Corridor Partners, LLC

Exhibit A
Legal Description of Proposed Industrial Development District

LEGAL DESCRIPTION

(BY PROFESSIONAL ENGINEERING ASSOCIATES)

PROPOSED PARCEL A

Land in part of the Southeast 1/4 of Section 1, Township 1 North, Range 8 East, City of Novi, Oakland County, Michigan;

Being more particularly described as:

Commencing at the Southeast Corner of said Section 1;

thence N02°30'06"W, 90.22 feet along the east line of said Section 1;

thence S87°29'54"W, 1085.33 feet;

thence S77°54'36"W, 118.19 feet;

thence 638.75 feet along the arc of a non-tangent curve to the right, having a radius of 5639.58 feet, a central angle of 06°29'22", and a chord bearing S81°16'27"W 638.40 feet to the POINT OF BEGINNING;

thence continuing 75.08 feet along the arc of the extension of said 5639.58 foot radius curve to the right, having a central angle of 00°45'46", and a chord bearing S84°54'01"W 75.08 feet;

thence N02°26'23"W, 225.23 feet;

thence S87°33'38"W, 141.99 feet;

thence N29°13'41"W, 337.92 feet;

thence S87°39'29"W, 141.70 feet;

thence N02°28'25"W, 631.50 feet;

thence N87°31'35"E, 816.33 feet to the west line of Cabot Drive (60' wide);

thence along said west line the following two courses:

1. 376.90 feet along the arc of a non-tangent curve to the left, having a radius of 455.00 feet, a central angle of 47°27'40", and a chord bearing S34°05'28"E 366.22 feet;
2. and 22.98 feet along the arc of a curve to the right, having a radius of 395.00 feet, a central angle of 03°19'58", and a chord bearing S56°09'20"E 22.97 feet;

thence non-tangent from said curve, S35°30'40"W, 99.13 feet;

thence S85°15'02"W, 90.05 feet;

thence S02°54'28"E, 115.00 feet;

thence S87°31'35"W, 135.71 feet;

thence S02°28'25"E, 351.48 feet;

thence S87°31'35"W, 152.56 feet;

thence 52.49 feet along the arc of a non-tangent curve to the right, having a radius of 197.00 feet, a central angle of 15°15'54", and a chord bearing S25°43'29"W, 52.33 feet;

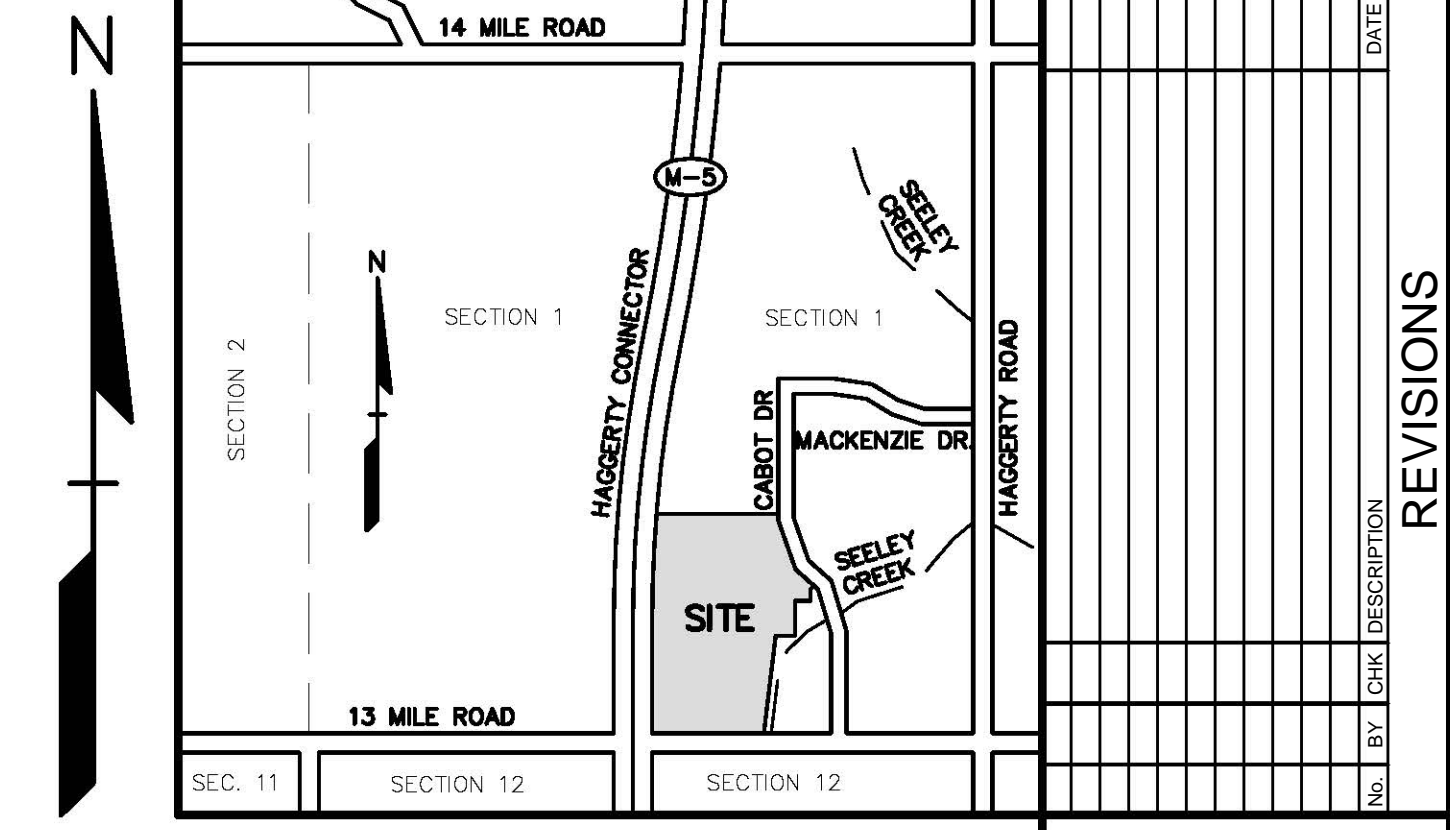
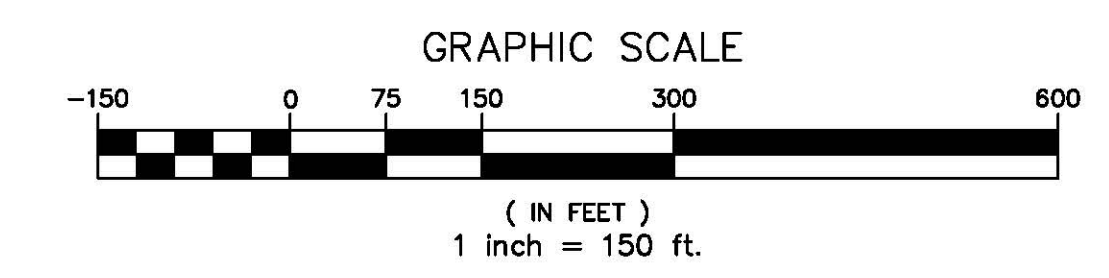
thence 174.94 feet along the arc of a curve to the left, having a radius of 280.00 feet, a central angle of 35°47'48", and a chord bearing S15°27'32"W, 172.10 feet;

thence S02°26'23"E, 71.92 feet to the POINT OF BEGINNING, containing 16.500 acres of land, more or less.



Proposed Facility for:





LEGEND

⊗ IRON FOUND	⊗ BRASS PLUG SET	⊗ SEC. CORNER FOUND
⊗ IRON SET	⊗ MONUMENT FOUND	⊗ RECORDED
⊗ NAIL FOUND	⊗ NAIL & CAP SET	⊗ MEASURED
		⊗ CALCULATED

EXISTING

- OH-ELEC—V—C— UNDERGROUND CABLE TV, DATA, FIBER, & OPTIC WIRE
- OH-CATV—E— TELEPHONE U.S. CABLE, PEDESTAL, & MANHOLE
- OH-UG—PHONE—E— ELECTRIC U.S. CABLE, MANHOLE, METER & MANHOLE
- OH-GAS—E— GAS MAIN, VALVE & GAS LINE MARKER
- OH-WATER—E— WATERMAIN, HYD. GATE VALVE, TAPPING SLEEVE & VALVE
- OH-SANITARY—E— SANITARY SEWER, CLEANOUT & MANHOLE
- OH-STORM—E— STORM SEWER, CLEANOUT & MANHOLE
- OH-COMBINED—E— COMBINED SEWER & MANHOLE
- OH-CATCH—E— CATCH BASIN, INLET, YARD DRAIN
- OH-POST—E— POST INDICATOR VALVE
- OH-WATER—E— WATER VALVE BOX/INDICANT VALVE BOX, SERVICE SHUTOFF
- OH-MALTR—E— MALTR., TRANSFORMER, REGULATION CONTROL VALVE
- OH-UNDE—E— UNDEVELOPED STRUCTURE
- OH-SPOT—E— SPOT ELEVATION
- OH-CONTR—E— CONTROL LINE
- OH-FENCE—E— FENCE
- OH-GUARD—E— GUARD RAIL
- OH-STREET—E— STREET LIGHT
- OH-SIGN—E— SIGN

PROPOSED

- OH-ELEC—V—C— UNDERGROUND CABLE TV, DATA, FIBER, & OPTIC WIRE
- OH-CATV—E— TELEPHONE U.S. CABLE, PEDESTAL, & MANHOLE
- OH-UG—PHONE—E— ELECTRIC U.S. CABLE, MANHOLE, METER & MANHOLE
- OH-GAS—E— GAS MAIN, VALVE & GAS LINE MARKER
- OH-WATER—E— WATERMAIN, HYD. GATE VALVE, TAPPING SLEEVE & VALVE
- OH-SANITARY—E— SANITARY SEWER, CLEANOUT & MANHOLE
- OH-STORM—E— STORM SEWER, CLEANOUT & MANHOLE
- OH-COMBINED—E— COMBINED SEWER & MANHOLE
- OH-CATCH—E— CATCH BASIN, INLET, YARD DRAIN
- OH-POST—E— POST INDICATOR VALVE
- OH-WATER—E— WATER VALVE BOX/INDICANT VALVE BOX, SERVICE SHUTOFF
- OH-MALTR—E— MALTR., TRANSFORMER, REGULATION CONTROL VALVE
- OH-UNDE—E— UNDEVELOPED STRUCTURE
- OH-SPOT—E— SPOT ELEVATION
- OH-CONTR—E— CONTROL LINE
- OH-FENCE—E— FENCE
- OH-GUARD—E— GUARD RAIL
- OH-STREET—E— STREET LIGHT
- OH-SIGN—E— SIGN

CONCRETE

- CONC. CONCRETE
- ASPH. ASPHALT
- GRAVEL GRAVEL SHOULDER
- WEALD WEALD

REFERENCE DRAWINGS

- WATER MAIN SANITARY SEWER
- HAGGERTY CORPORATE PARK PHASE I DESIGN PLANS, AR DECKER, SEPT. 10, 2007
- HAGGERTY CORPORATE PARK PHASE II DESIGN PLANS, AR DECKER, SEPT. 10, 2007
- OTE ENERGY OUTSIDE SALES PRODUCT MAP 241-376, DATED MAR. 12, 2013
- AT&T FACILITY MAP RECEIVED JUNE 13, 2014
- CONSUMER ENERGY SERVICE MAP 01-38-01-4, DATED AUG. 28, 2008
- PETROLEUM CATV
- NOT YET RECEIVED
- BIRTHHOUSE NETWORKS, SERVICE MAP 14-10, RECEIVED MAR. 13, 2013
- FEMA FIRM PANEL 26125C0489F AND 26125C0493F, DATED SEPT. 28, 2006
- FLOOD PLAIN

CAUTION!
THE LOCATION AND ELEVATIONS OF EXISTING UNDERGROUND UTILITIES AS SHOWN ON THIS DRAWING ARE ONLY APPROXIMATE. NO GUARANTEE IS EITHER EXPRESSED OR IMPLIED AS TO THE ACCURACY OR COMPLETENESS OF THESE DATA. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO CONSTRUCTION. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO CONSTRUCTION. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO CONSTRUCTION.

3 FULL WORKING DAYS BEFORE YOU DIG CALL 811
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Phone: (248) 689-9090
Fax: (248) 689-1044
website: www.peainc.com

NORTHERN EQUITIES GROUP
39000 COUNTRY CLUB DRIVE
FARMINGTON HILLS, MICHIGAN 48331
OVERALL SITE PLAN
HARMAN BECKER AUTOMOTIVE SYSTEMS, INC.
SECTION 1 - CITY OF NOVI, OAKLAND COUNTY, MICHIGAN 48377

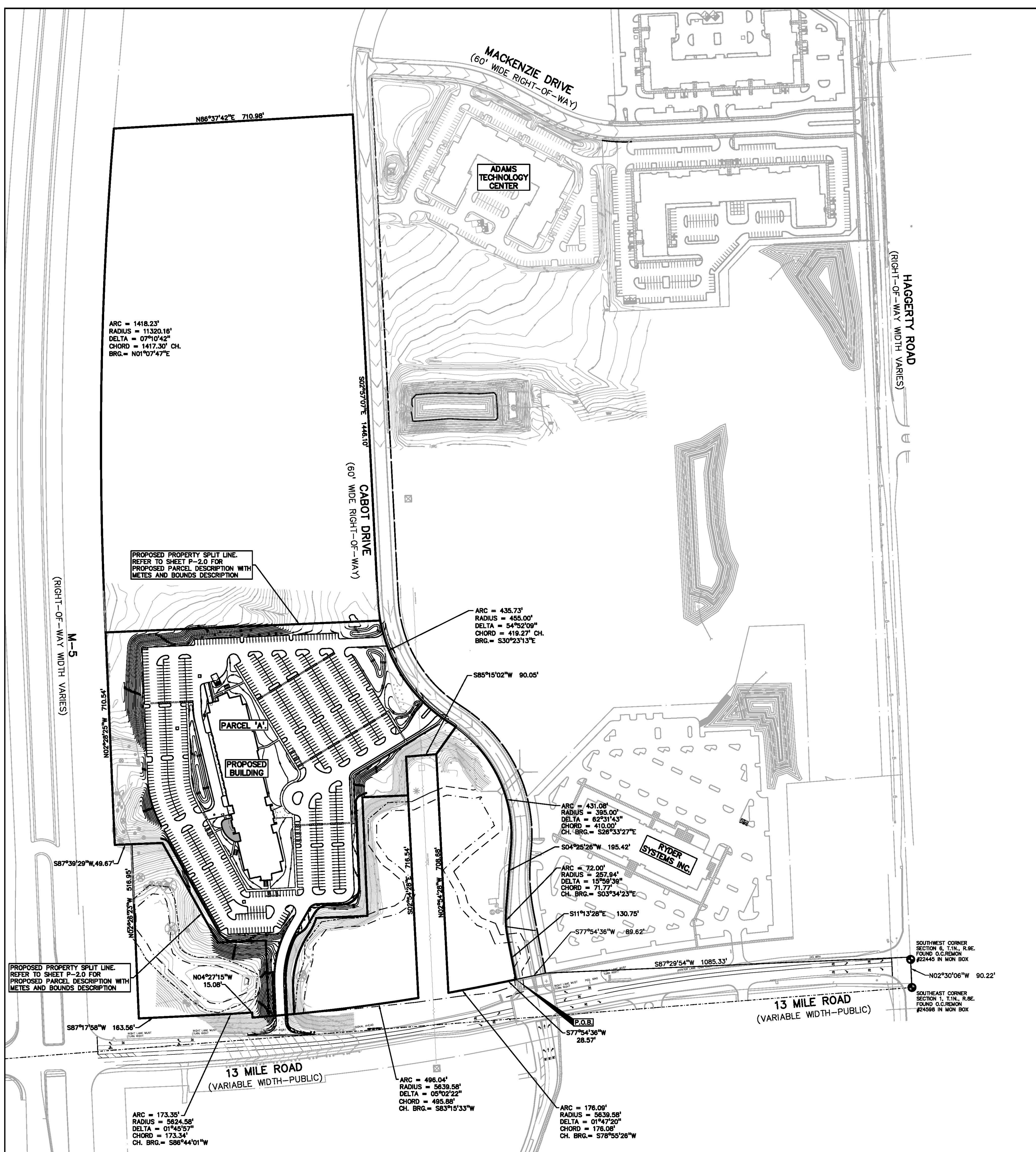
ORIGINAL ISSUE DATE: JULY 9, 2014
PEA JOB NO. 2014-109
SCALE: 1" = 150'
DRAWING NUMBER: P-1.0

LEGAL DESCRIPTION
(BY PROFESSIONAL ENGINEERING ASSOCIATES)

PROPOSED PARCEL A
Land in part of the Southeast 1/4 of Section 1, Township 1 North, Range 8 East, City of Novi, Oakland County, Michigan.
Being more particularly described as:
Commencing at the Southeast Corner of said Section 1;
thence N02°30'08"W 90.22 feet along the east line of said Section 1;
thence S87°29'54"W 1085.33 feet;
thence S77°54'36"W 118.19 feet;
thence 638.75 feet along the arc of a non-tangent curve to the right, having a radius of 5639.58 feet, a central angle of 06°29'22", and a chord bearing S51°16'27"W 638.40 feet to the POINT OF BEGINNING;
thence continuing 75.08 feet along the arc of the extension of said 5639.58 foot radius curve to the right, having a central angle of 00°45'46", and a chord bearing S84°54'01"W 75.08 feet;
thence N02°28'23"W 225.23 feet;
thence S87°33'38"W 141.99 feet;
thence N29°13'41"W 337.92 feet;
thence S87°38'28"W 141.70 feet;
thence N02°28'23"W 631.50 feet;
thence N87°31'35"E 816.33 feet to the west line of Cabot Drive (60' wide);
thence along said west line the following two courses:
1. 376.90 feet along the arc of a non-tangent curve to the left, having a radius of 455.00 feet, a central angle of 47°27'40", and a chord bearing S34°05'28"E 366.22 feet;
2. and 22.98 feet along the arc of a curve to the right, having a radius of 395.00 feet, a central angle of 03°19'58", and a chord bearing S34°05'28"E 22.97 feet;
thence non-tangent from said curve, S35°30'40"W 99.13 feet;
thence S85°15'02"W 90.05 feet;
thence S02°54'28"E 115.00 feet;
thence S87°31'35"W 135.71 feet;
thence S02°28'23"E 351.48 feet;
thence S87°31'35"W 152.56 feet;
thence 52.49 feet along the arc of a non-tangent curve to the right, having a radius of 197.00 feet, a central angle of 15°15'54", and a chord bearing S25°43'29"W 52.33 feet;
thence 174.94 feet along the arc of a curve to the left, having a radius of 280.00 feet, a central angle of 35°47'48", and a chord bearing S15°27'32"W 172.10 feet;
thence S02°28'23"E 71.92 feet to the POINT OF BEGINNING, containing 16.500 acres of land, more or less.

OVERALL PARCEL LEGAL DESCRIPTION
(PER OAKLAND COUNTY ON-LINE PROPERTY GATEWAY)

PARCEL NO. 22-01-400-025
TOWNSHIP 1 NORTH, RANGE 8 EAST, SECTION 1, PARCEL OF THE EAST 1/2 OF SAID SECTION, BEGINNING AT A POINT DISTANT N02°30'08"W 90.22 FEET & S87°29'54"W 1085.33 FEET & S77°54'36"W 89.82 FEET FROM THE SOUTHEAST SECTION CORNER; THENCE S77°54'36"W 28.57 FEET; THENCE ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 5639.58 FEET, A CHORD BEARING S78°55'28"W 176.08 FEET, A DISTANCE OF 176.08 FEET; THENCE N02°54'28"W 708.68 FEET; THENCE S85°15'02"W 90.05 FEET; THENCE S02°54'28"E 716.54 FEET; THENCE ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 5639.58 FEET, A CHORD BEARING S83°15'33"W 495.88 FEET, A DISTANCE OF 496.04 FEET; THENCE N04°27'15"W 15.08 FEET; THENCE ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 5624.58 FEET, A CHORD BEARING S88°44'01"W 173.34 FEET, A DISTANCE OF 173.34 FEET; THENCE S87°17'58"W 163.56 FEET; THENCE N02°28'23"W 516.95 FEET; THENCE S87°39'29"W 48.87 FEET; THENCE N02°28'25"W 710.54 FEET; THENCE ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 11320.16 FEET, A CHORD BEARING N01°07'47"E 1417.30 FEET, A DISTANCE OF 1418.24 FEET; THENCE N88°37'42"E 710.98 FEET; THENCE S02°57'07"E 1446.10 FEET; THENCE ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 455 FEET, A CHORD BEARING S30°29'13"E 419.27 FEET, A DISTANCE OF 435.73 FEET; THENCE ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 395 FEET, A CHORD BEARING S28°33'27"E 410 FEET, A DISTANCE OF 431.08 FEET; THENCE S04°25'26"W 195.42 FEET; THENCE ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 257.94 FEET, A CHORD BEARING S03°34'23"E 71.77 FEET, A DISTANCE OF 72 FEET; THENCE S11°3'28"E 130.75 FEET TO THE POINT OF BEGINNING.



NOT FOR CONSTRUCTION
REF: S:\PROJECTS\2014\2014109\DWG\TOP\BASE - 14109.DWG
REF: S:\PROJECTS\2014\2014109\DWG\SITE PLAN\BASE - 14109.DWG
REF: S:\PROJECTS\2014\2014109\DWG\SITE PLAN\BLK - 14109.DWG



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June 26, 2014

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MEDC Executive Committee
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Community College

Dayne Walling
City of Flint

**Phil Eyer, Senior VP of Global Auto
Harman Becker Automotive Systems, Inc.
28845 Cabot Dr.
Novi, MI 48377**

Dear Mr. Eyer:

Thank you for giving the Michigan Economic Development Corporation (MEDC) the opportunity to site Harman Becker Automotive Systems, Inc.'s expansion in Novi. Michigan is the best choice for your investment. You will find easy access to a large pool of talented workers, a business-friendly climate, and a well-established transportation system that will allow you to get your products to market quickly and cost-effectively. In addition to the great business environment that your company will find in Michigan, this state offers the world's longest freshwater coastline, a treasure trove of natural resources for business and play, and world class golf courses where you can tee up to a sunrise on lakes like oceans. This unique live, work, and play experience is Pure Michigan.

Based on the estimated project parameters provided by Harman (\$52,589,000 in qualified capital investment which will create at least 150 new jobs over 5 years), we are pleased to provide an economic development package of state and local incentives totaling up to an estimated \$5.455 million. Please see the attached "Incentives Profile for Harman - Novi" for a more-detailed description of the incentives being offered.

This offer includes up to \$800,000 in funding from the Michigan Business Development Program ("MBDP" or "Program"). The MBDP is designed to provide a grant, loan, or other economic assistance to qualified businesses that make qualified investments or create qualified new jobs, or both, in Michigan. While the Program is operated and funded through the Michigan Strategic Fund ("MSF"), recommendations for awards under the Program are presented by the MEDC to the MSF.

Under the MBDP, qualified new jobs are in addition to jobs already located in Michigan. Based on the projected number of jobs and investment anticipated by this project, the MEDC is interested in further exploration of a possible recommendation to the MSF for approval of a performance-based grant.

If you decide to accept these proposed incentives, please sign and date this letter in the space designated below, and return it to the MEDC. Your signature constitutes acceptance of the terms and requirements of this proposed incentive package. These incentives remain subject to a business integrity review, background check process, and other general due diligence as may be necessary or required; the results of which must be satisfactory to the MEDC,

Michigan Economic Development Corporation

300 North Washington Square | Lansing, MI 48913 | 888.522.0103 | MichiganAdvantage.org | michigan.org

June 26, 2014
Page 2

the Office of the Chief Compliance Officer, and related authorities. The MEDC must receive your written acceptance by **July 10, 2014**; otherwise these proposed incentives and services may be subject to renegotiation. Upon acceptance, the offer will remain active for 90 days while due diligence is conducted and the MSF Board considers approval.

In summary, the State of Michigan is committed to supporting and growing the Automotive R&D/Testing industry in our state. Harman's expansion in Novi is an important project and we welcome the opportunity to help your company.

If you have any questions or concerns, please do not hesitate to contact Khalfani Stephens directly, either by phone at (517) 410-9377 or email to stephensk@michigan.org. Mr. Stephens is available to coordinate all aspects of your company's project.

Sincerely,



Christine Roeder
Regional Director, MI Retention & Growth

Attachments

cc: Khalfani Stephens, MEDC
Marcia Gebarowski, MEDC
Robb Smith, Harman
Edwin Lukas, Bodman

The undersigned agrees to accept the above incentives and services as proposed by the MEDC subject to the conditions stated in this letter.

_____ Date: _____

Please Return Written Acceptance to the MEDC:

Mail: Attn: Khalfani Stephens, 300 North Washington Square, Lansing, Michigan 48913
Fax: (517) 335-0198 | **Email:** stephensk@michigan.org

Incentives Profile for Harman

Incentive	Estimated Values
	Novi
BDP performance based grant	\$800,000
PA 198 Property Tax Abatement <i>(Real and Personal Property; 13 years: 12-year abatement for each year of investment)</i>	\$4,240,000
Total Value of Discretionary Incentives	\$5,040,000
<i>Other Automatic Incentives:</i>	
Industrial Personal Property Tax Relief <i>(13 years)</i>	\$415,000
Total Value of Automatic Incentives	\$415,000
Total Value of Proposed Incentives	\$5,455,000

Project Assumptions:

\$52,589,000 in qualified capital investment and creation of at least 150 new jobs over 5 years. Acceptance of this incentive package is subject to a business integrity review, background check process, and other general due diligence as required, the results of which are satisfactory to the MEDC, the Office of the Chief Compliance Officer, and related authorities.

Proposed incentives are dependent on availability of funds each year through the legislative budget process. Incentive amounts are contingent upon the ability of the project to meet program requirements and are subject to an application review and approval process.

Proposed incentives will vary based on actual site selected.

Proposed package is available until close of business on July 10, 2014.

Programs and Incentives

Financial Programs and Incentives

Michigan Business Development Program

One of the 21st Century Jobs Fund's economic incentive programs in Michigan administered by the MEDC is the MBDP or "Program". The MBDP is designed to provide a grant, loan, or other economic assistance to qualified businesses that make qualified investments, create qualified new jobs, or both, in Michigan. While the Program is operated and funded through the MSF, recommendations for awards under the Program are presented by the MEDC to the MSF Board.

Under the program, qualified new jobs are in addition to jobs already located in Michigan.

Any incentive awarded under the Program is contingent upon several factors, including:

- (i) submission by the Company of a completed application and all other documentation required under the Program;
- (ii) satisfactory community support;
- (iii) available MSF funding;
- (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence as required, and the results of which must be satisfactory to the MEDC, the MSF Board, and as applicable, the Chief Compliance Officer;
- (v) approval of an award by the MSF Board; and
- (vi) execution of a final agreement between the Company and the MSF Board containing established milestones and reporting requirements, and all other detailed terms and conditions, required by the MSF Board.

Any funds disbursed to the Company will be subject to a repayment provision, including if the jobs are eliminated.

Property Tax Incentives

Property Tax Abatement under PA 198 of 1974

Local units of government have the ability to reduce property taxes on new investment by 50% for manufacturers and high-tech businesses. These abatements can last up to 12 years and can provide relief on both real and personal property taxes. The local unit of government is responsible for approving these abatements and their duration.

Industrial Personal Property Tax Relief

Michigan automatically reduces the personal property tax burden on a company's industrial personal property anywhere in the state. This automatic reduction includes the 6-mill State Education Tax and the 18-mill local school property tax, and the savings will be realized on both new and existing industrial personal property. This property tax relief will remain in effect beyond the number of years specified in the incentives matrix, contingent upon the statutory authority remaining in place.

Workforce Development

The MEDC is ready and able to provide an extensive workforce development package through our Talent Enhancement program. Talent Enhancement services are coordinated by a designated Talent Advisor that specializes in your industry that will work closely with the

The MEDC is ready and able to provide an extensive workforce development package through our Talent Enhancement program. Talent Enhancement services are coordinated by a designated Talent Advisor that specializes in your industry that will work closely with the leadership team of your company to create and implement a custom Talent Enhancement strategy. Your Advisor will integrate programs to attract, train, and retain key talent for the success of your business.

Talent Identification

- (i) Job posting and talent outreach services on the Michigan Job Portal.
- (ii) Ability to search thousands of highly accomplished resumes.
- (iii) Feature opportunities in e-newsletters that reach 5000+ job seekers each week.
- (iv) Launch a robust social media campaign that includes Facebook, LinkedIn and Twitter.
- (v) Host senior-level invitation only career networking events.
- (vi) Arrange with Michigan college and university placement offices for on-campus interviewing.
- (vii) Contact candidates and schedule interviews at a variety of local area office locations or at the company's workplace.

Michigan Works!

Michigan Works! partners with employers and educators to ensure local businesses have the talent they need now and in the future. Your local office can provide assistance for everything from locating and recruiting potential employees, posting your job openings, screening applicants, and providing training assistance. In some instances, there may be wage subsidies, tax credits or other incentives available to you. Your local Michigan Works! has submitted a customized proposal for your project under separate cover.

Pure Michigan Business Connect

Pure Michigan Business Connect

Through economic gardening initiatives, Michigan businesses have new ways to buy and sell, raise capital, and connect with each other. Pure Michigan Business Connect is a \$3 billion public-private initiative that strengthens our economic gardening philosophy through an alliance of the MEDC, Michigan companies and other Michigan organizations. Pure Michigan Business Connect matches people with resources including venture capital, debt financing, collateral support, and other funding assistance; business support services like customized market research, executive and professional talent search assistance, training support, customized site searches, and ombudsman services; and additional public/private support such as entrepreneur services, export assistance, legal services, and matchmaking with Michigan suppliers.



Customized Tax Estimate for Harman in Novi

June 20, 2014

REPORT CONTENTS

1. Data Inputs
2. Property Tax Estimate

Capital Investment

Novi

	2014	2015	2016	2017	2018	Total
Land Costs	\$ 6,100,000	\$ -	\$ -	\$ -	\$ -	\$6,100,000
Building - New Construction	\$ 15,400,000	\$ 4,620,000	\$ -	\$ -	\$ -	\$20,020,000
Leasehold Improvements	\$ 5,200,000	\$ -	\$ -	\$ -	\$ -	\$5,200,000
Furniture & Fixtures	\$ 1,760,000	\$ 2,640,000	\$ -	\$ -	\$ -	\$4,400,000
Office Machinery	\$ 600,000	\$ 900,000	\$ -	\$ -	\$ -	\$1,500,000
Total Capital Investment	\$ 29,060,000	\$ 8,160,000	\$ -	\$ -	\$ -	\$37,220,000

Incentive Package

Property Taxes

- 198 Personal Property Incentive
- 12 Personal Property Incentive Term (Years)

- 198 Real Property Incentive
- 12 Real Property Incentive Term (Years)

Other Information

- 53.2005 Non-Homestead Millage Rate
- Industrial Property Classification

Note:

* The figures contained in this report do not have the force of law nor should they be construed as an incentive offer from the MEDC or any other entity.

* These estimates are based on a rule-of-thumb. Actual tax liability and incentives will vary according to a company's specific tax filing, property assessments and other factors.

* The cost of land and real property leases are generally not eligible for incentives. Rules differ in Renaissance Zones. Leased personal property is treated differently under certain incentive programs.

PAGE 2: Real Property Tax Estimate

Incentive Term (Years):	20-Jun-2014	12
Incentive Program:		198
Property Classification:		Industrial
Land:	\$	6,100,000
New Building:	\$	20,020,000
Building Renovations:	\$	-
Leasehold Improvements:	\$	5,200,000
Millage Rate:		53.2005
SET Mills Abated:		6.0000
School Mills Abated:		9.0000
Abated Millage Rate:		23.6003

Harman Novi

Year	Calculations		Estimated Taxes			Estimated Incentive			Total	
	Inflation-Adjusted Value of All Property	Taxable Value (50%)	Tax on Land (No Abatement) 53.2005	Total Tax without Incentive 53.2005	Total Tax with Incentive 23.6003	State Education Tax Abatement 6.0000	Local School Millage Abatement 9.0000	Other Millage Abatement 14.6003		
1	2015	\$ 26,700,000	\$ 13,350,000	\$ 162,262	\$ 710,227	\$ 405,344	\$ 61,800	\$ 92,700	\$ 150,383	\$ 304,883
2	2016	\$ 31,732,000	\$ 15,866,000	\$ 162,262	\$ 844,079	\$ 464,722	\$ 76,896	\$ 115,344	\$ 187,117	\$ 379,357
3	2017	\$ 32,244,640	\$ 16,122,320	\$ 162,262	\$ 857,715	\$ 470,772	\$ 78,434	\$ 117,651	\$ 190,859	\$ 386,944
4	2018	\$ 32,767,533	\$ 16,383,766	\$ 162,262	\$ 871,625	\$ 476,942	\$ 80,003	\$ 120,004	\$ 194,676	\$ 394,683
5	2019	\$ 33,300,883	\$ 16,650,442	\$ 162,262	\$ 885,812	\$ 483,235	\$ 81,603	\$ 122,404	\$ 198,570	\$ 402,576
6	2020	\$ 33,844,901	\$ 16,922,451	\$ 162,262	\$ 900,283	\$ 489,655	\$ 83,235	\$ 124,852	\$ 202,541	\$ 410,628
7	2021	\$ 34,399,799	\$ 17,199,900	\$ 162,262	\$ 915,043	\$ 496,203	\$ 84,899	\$ 127,349	\$ 206,592	\$ 418,841
8	2022	\$ 34,965,795	\$ 17,482,898	\$ 162,262	\$ 930,099	\$ 502,882	\$ 86,597	\$ 129,896	\$ 210,724	\$ 427,217
9	2023	\$ 35,543,111	\$ 17,771,556	\$ 162,262	\$ 945,456	\$ 509,694	\$ 88,329	\$ 132,494	\$ 214,938	\$ 435,762
10	2024	\$ 36,131,973	\$ 18,065,987	\$ 162,262	\$ 961,120	\$ 516,643	\$ 90,096	\$ 135,144	\$ 219,237	\$ 444,477
11	2025	\$ 36,732,613	\$ 18,366,306	\$ 162,262	\$ 977,097	\$ 523,730	\$ 91,898	\$ 137,847	\$ 223,622	\$ 453,366
12	2026	\$ 37,345,265	\$ 18,672,632	\$ 162,262	\$ 993,393	\$ 530,960	\$ 93,736	\$ 140,604	\$ 228,094	\$ 462,434
13	2027	\$ 37,970,170	\$ 18,985,085	\$ 162,262	\$ 1,010,016	\$ 924,998	\$ 17,233	\$ 25,850	\$ 41,935	\$ 85,018
Total				\$ 2,109,400	\$ 11,801,964	\$ 6,795,779	\$ 1,014,759	\$ 1,522,138	\$ 2,469,288	\$ 5,006,185



Note:

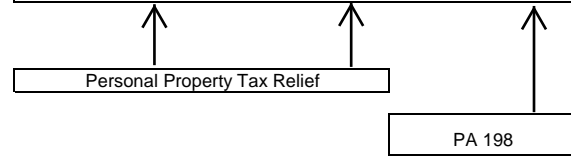
These tax estimates represent general approximations, and are not meant as precise projections of tax liability. These estimates do not have the force of law, nor should they be construed as an incentive offer from MEDC. Further consultation with a private tax attorney and/or a certified public accountant is highly recommended to firms considering location or expansion in Michigan.

PAGE 3: Personal Property Tax Estimate

	20-Jun-2014
Incentive Term (Years):	12
Incentive Program:	198
Property Classification:	Industrial
New M&E:	\$ -
New F&F:	\$ 4,400,000
New Computers:	\$ -
New OM/Elec/Test:	\$ 1,500,000
Millage Rate:	53.2005
SET Mills Abated:	6.0000
School Mills Abated:	18.0000
Abated Millage Rate:	14.6003

Harman Novi

Year	Calculations			Estimated Taxes		Estimated Incentive			Total
	Estimated Market Value of All Property	After Depreciation	Taxable Value (50%)	Total Tax without Incentive 53.2005	Total Tax with Incentive 14.6003	State Education Tax Exemption 6.0000	Local School Millage Exemption 18.0000	Other Millage Abatement 14.6003	
1 2015	\$ 2,360,000	\$ 2,105,600	\$ 1,052,800	\$ 56,009	\$ 15,371	\$ 6,317	\$ 18,950	\$ 15,371	\$ 40,638
2 2016	\$ 5,900,000	\$ 4,950,400	\$ 2,475,200	\$ 131,682	\$ 36,139	\$ 14,851	\$ 44,554	\$ 36,139	\$ 95,543
3 2017	\$ 5,900,000	\$ 4,232,400	\$ 2,116,200	\$ 112,583	\$ 30,897	\$ 12,697	\$ 38,092	\$ 30,897	\$ 81,686
4 2018	\$ 5,900,000	\$ 3,684,200	\$ 1,842,100	\$ 98,001	\$ 26,895	\$ 11,053	\$ 33,158	\$ 26,895	\$ 71,106
5 2019	\$ 5,900,000	\$ 3,248,200	\$ 1,624,100	\$ 86,403	\$ 23,712	\$ 9,745	\$ 29,234	\$ 23,712	\$ 62,691
6 2020	\$ 5,900,000	\$ 2,868,400	\$ 1,434,200	\$ 76,300	\$ 20,940	\$ 8,605	\$ 25,816	\$ 20,940	\$ 55,360
7 2021	\$ 5,900,000	\$ 2,577,000	\$ 1,288,500	\$ 68,549	\$ 18,812	\$ 7,731	\$ 23,193	\$ 18,812	\$ 49,736
8 2022	\$ 5,900,000	\$ 2,312,000	\$ 1,156,000	\$ 61,500	\$ 16,878	\$ 6,936	\$ 20,808	\$ 16,878	\$ 44,622
9 2023	\$ 5,900,000	\$ 2,070,600	\$ 1,035,300	\$ 55,078	\$ 15,116	\$ 6,212	\$ 18,635	\$ 15,116	\$ 39,963
10 2024	\$ 5,900,000	\$ 1,864,600	\$ 932,300	\$ 49,599	\$ 13,612	\$ 5,594	\$ 16,781	\$ 13,612	\$ 35,987
11 2025	\$ 5,900,000	\$ 1,693,800	\$ 846,900	\$ 45,056	\$ 12,365	\$ 5,081	\$ 15,244	\$ 12,365	\$ 32,691
12 2026	\$ 5,900,000	\$ 1,564,200	\$ 782,100	\$ 41,608	\$ 11,419	\$ 4,693	\$ 14,078	\$ 11,419	\$ 30,189
13 2027	\$ 5,900,000	\$ 1,428,800	\$ 714,400	\$ 38,006	\$ 14,396	\$ 4,286	\$ 12,859	\$ 6,465	\$ 23,611
Total				\$ 920,374	\$ 256,551	\$ 103,801	\$ 311,402	\$ 248,620	\$ 663,823



Note:
These tax estimates represent general approximations, and are not meant as precise projections of tax liability. These estimates do not have the force of law, nor should they be construed as an incentive offer from MEDC. Further consultation with a private tax attorney and/or a certified public accountant is highly recommended to firms considering location or expansion in Michigan.

Project Information	
Company or Project Name:	Harman Becker Automotive Systems, Inc.
Business Legal Structure:	C-Corporation
NAICS Code	334310
Year Company Established	2006
Anticipated Project Start Date (M/D/YR)	10/1/2014
# of Global Employees	TBD
Annual Revenue	TBD
Project Street Address:	Novi, MI
School District (if known):	Novi Community School District
Project County:	Oakland
Completed By:	Vahe Tazian
Phone Number:	(203) 328-3843
Email Address:	vahe.tazian@harman.com
Date:	5/30/2014

Project Description - Please include the product/service and a brief description of the project including planned project start date.
The Company, a wholly owned subsidiary of Harman International Industries, Incorporated ("Harman International"), currently operates a total of seven facilities in Farmington Hills and Novi, Michigan. The Company desires to consolidate six of the seven facilities in a new, state-of-the-art facility in Novi, Michigan that would have the capacity for up to 150 new employment positions. The Company anticipates signing definitive agreements in June 2014, commencing construction in October 2014 and initiating occupancy in 3Q 2015. For more information on Harman International, please see Exhibit A.
Project Alternatives - Are other sites or project configurations under consideration? Please list other potential locations.
The Company is currently focused on establishing the new facility in Novi, Michigan. The decision on whether to proceed depends on the availability of sufficient financing (including state and local incentives) and the Company's ability to execute and deliver a satisfactory agreement with a developer. In the event the Company determines that Michigan is not a feasible location, it may explore opportunities in Oak Brook (Illinois), Boulder (Colorado), Indianapolis (Indiana) and Palo Alto (California).

Capital Investment	Year 1 2014	Year 2 2015	Year 3 2016	Total	
Land Costs	\$6,110,000	\$0	\$0	\$6,110,000	Real
Building - New Construction	\$15,379,000			\$15,379,000	
Building - Purchase of Existing				\$0	Personal
Building - Renovations				\$0	
Building - Annual Lease Cost	\$0	\$850,000	\$5,100,000	\$5,950,000	
Building - Leasehold Improvements	\$3,080,000	\$4,620,000	\$5,264,000	\$12,964,000	
Machinery & Equipment - Purchased				\$0	
Machinery & Equipment - Leased				\$0	
Furniture & Fixtures - Purchased	\$1,760,000	\$2,640,000		\$4,400,000	
Furniture & Fixtures - Leased				\$0	
Office Machinery - Purchased	\$600,000	\$900,000		\$1,500,000	
Office Machinery - Leased				\$0	
Computers - Purchased				\$0	
Computers - Leased				\$0	
Pollution Control Equip				\$0	
Special Tooling				\$0	
Soft costs	\$5,220,000			\$5,220,000	
Interest Reserve	\$1,066,000			\$1,066,000	
Total Capital Investment	\$33,215,000	\$9,010,000	\$10,364,000	\$52,589,000	

New Jobs by Year	Year 1 2014			Year 2 2015			Year 3 2016			Year 4 2017			Year 5 2018			Cumulative Job Creation
	New Full Time Jobs Created	Avg. Weekly Wage	Avg. Weekly Employer-Paid Health Care	New Full Time Jobs Created	Avg. Weekly Wage	Avg. Weekly Employer-Paid Health Care	New Full Time Jobs Created	Avg. Weekly Wage	Avg. Weekly Employer-Paid Health Care	New Full Time Jobs Created	Avg. Weekly Wage	Avg. Weekly Employer-Paid Health Care	New Full Time Jobs Created	Avg. Weekly Wage	Avg. Weekly Employer-Paid Health Care	
Managerial	0			5	\$3,200	\$260	5	\$3,200	\$260	5	\$3,200	\$260	5	\$3,200	\$260	20
Professional	0			20	\$1,750	\$260	30	\$1,750	\$260	35	\$1,750	\$260	45	\$1,750	\$260	130
Technical																0
Sales																0
Clerical																0
Craftsman (skilled)																0
Operators (semi-skilled)																0
Laborers (unskilled)																0
Service																0
Total	0	\$0	\$0	25	\$2,040	\$260	35	\$1,957	\$260	40	\$1,931	\$260	50	\$1,895	\$260	150

Benefits - Please provide a brief description of the benefit package offered to employees in the area below.
Employment benefits include the following: Financial compensation and incentives; a broad array of benefits that support the health and well-being of employees and their dependents; retirement benefit programs that augment employees' efforts to build a secure financial future; special employee pricing for the Company's audio products, customer automobiles, and other third-party products and services; and recognition and reward programs.

Taxable Income	Year 1 2014	Year 2 2015	Year 3 2016
Federal Taxable Income (Unitary Basis)	\$113,673,000	\$124,998,000	\$148,430,000
Percentage of Sales in Michigan	16%	18%	19%

Financing	Project Costs	Amount of Funding	Source of Funding
3 Year Cost of Project	\$52,589,000		
Funding Source #1		\$30,000,000	Developer's Obligation
Funding Source #2		\$5,000,000	Tenant Improv. Allowance
Funding Source #3		\$8,500,000	Company Cash
Funding Source #4			
Funding Source #5			
Total Secured Funding		\$43,500,000	
Percentage of Project Financed		83%	

Briefly describe the financing structure for this project, how much financing is needed, what type, and include description on why funding is needed:

Projects costs are expected to be paid through a combination of developer contributions, company cash and state and local incentives. The Company has budgeted \$8.5 million from its available cash for the project. The allocations for the developer's obligation and the allowance for Tenant Improvements are speculative, and incentives are needed in order to bridge the gap to the total project costs.

Key Financial Information	12 Month Trailing	12 Month Projected	Previous 3 Year Average
Gross Profit	\$1,351,000,000	N/A	\$1,092,000,000
EBITDA	\$420,000,000	N/A	\$355,000,000
Monthly Burn Rate	N/A	N/A	N/A
Short Term Assets	\$2,487,000,000		
Long Term Assets	\$1,181,000,000		
Total Assets	\$3,668,000,000		
Short Term Liabilities	\$1,392,000,000		
Long Term Liabilities	\$509,000,000		
Total Liabilities	\$1,901,000,000		
Equity	\$1,767,000,000		

Current Bank Relationships	Loan Amount	Rate	Secured By
Syndicate of Lenders	\$1,050,000,000	LIBOR or base rate + margin	Senior Unsecured Credit Facility

Venture Capital Relationships	Total Invested	Total Reserved	Ownership %

Historic Michigan Staffing by Location	Employer Identification Number (EIN)	Current Full-Time Michigan Employment as of 8/20/2014
Location #1	36-3130297	319
Location #2	36-3130297	38
Location #3	36-3130297	142
Location #4	36-3130297	72
Location #5	36-3130297	21
Location #6	36-3130297	116
Location #7	36-3130297	59
Location #8		
Location #9		
Location #10		
Total		767

Company Employment History - How has the full time employment level of the company and company affiliates in Michigan changed over the last year? Explain any major changes.

Over the past year, our headcount has continued to grow in many areas to keep up with the continuous customer demands and changes in technology and commodity needs. We also see global changes in commodity management and have increased our global procurement teams located in Michigan. Harman International has experienced growth due to new and existing customer programs. The estimated number of new employment positions described above does not account for a total of approximately 90 new professional positions expected to be created at the new location in 2017 and 2018.

HARMAN

39001 WEST 12 MILE ROAD
FARMINGTON HILLS, MICHIGAN
48331 USA

HARMAN

July 21, 2014

Ms. Maryanne Cornelius
City Clerk
City of Novi
45175 West 10 Mile Road
Novi, MI 48375

Re: Establishment of Industrial Development District

Dear Ms. Cornelius:

This letter is submitted on behalf of Harman Becker Automotive Systems, Inc. (the "Company") in connection with the Company's request that an Industrial Development District be established by the City of Novi on 16.5 acres located at the northeast corner of M-5 and 13 Mile Road in Novi, Michigan (the "Project Site").

The purpose of this letter is to confirm our intention to cause a state-of-the-art facility to be constructed on the Project Site (the "New Facility"). The Company intends to relocate to the New Facility approximately 800 employees currently working in Michigan, and the New Facility will serve as the Company's headquarters in Michigan. The Company expects to add approximately 150 new employment positions at the New Facility within the first three years of its initial occupancy.

The Company will occupy the New Facility pursuant to a build-to-suit lease (the "Lease") with HCP/HBAS Building LLC, which is an affiliate of Northern Equities Group. Under the terms of the Lease, the Company will be responsible for the payment of all real and personal property taxes at the New Facility during the 15-year lease term.

The total projects costs of approximately \$50 million are expected to be paid through a combination of developer contributions, the Company's cash and state and local incentives. Given the challenging and unpredictable nature of the automotive industry, it is necessary for the Company to take a conservative approach with the allocation of its limited available cash to this project and other business needs; it further emphasizes the importance of the real and personal property tax exemption to ensure the Company can establish a new, consolidated facility in Michigan.

The New Facility will strengthen the Company's footprint in Novi by increasing the Company's employment base and serving as a showcase location for the Company. It will also expand the expertise of the local labor force and assist in bolstering Novi's economy through the employment of well-compensated professionals. Further, by consolidating its operations into one large, state-of-the-art facility in Novi, the Company will be very well positioned for future expansion there as its business needs evolve.

If you have any questions or concerns, please contact my colleague, Robert Smith, at (248) 994-2390.

Sincerely,



Phillip M. Eyler
Senior Vice President

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, call (517) 373-3302.

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) Harman Becker Automotive Systems, Inc.		▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 334310	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location)		▶ 1d. City/Township/Village (indicate which) City of Novi	▶ 1e. County Oakland
▶ 2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Transfer <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Research and Development (Sec. 2(10)) <input type="checkbox"/> Increase/Amendment		▶ 3a. School District where facility is located Novi	▶ 3b. School Code 63100
		4. Amount of years requested for exemption (1-12 Years) 12 Years	

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

The Company currently operates seven facilities in Michigan. The Company will consolidate six of the seven facilities and add approximately 150 new jobs in a state-of-the-art facility to be located on 16.5 acres at M-5 and 13 Mile Road. The Company has signed a build-to-suit lease agreement with an affiliate of Northern Equities Group. Site improvements are expected to begin in September 2014, with occupancy occurring approximately one year later.

6a. Cost of land and building improvements (excluding cost of land)	▶ <u>26,929,000</u>
* Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	
6b. Cost of machinery, equipment, furniture and fixtures	▶ <u>5,900,000</u>
* Attach itemized listing with month, day and year of beginning of installation, plus total	
6c. Total Project Costs	▶ <u>32,829,000</u>
* Round Costs to Nearest Dollar [Note: Excludes \$30 million in land costs and \$5.1 million annual lease cost.]	
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>09/01/2014</u>	<u>05/01/2015</u>	▶ <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased
Personal Property Improvements ▶	<u>02/01/15</u>	<u>11/01/2015</u>	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased

▶ 8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. Yes No

▶ 9. No. of existing jobs at this facility that will be retained as a result of this project. Approx. 800 jobs relocated to new facility	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. 150
--	---

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

a. TV of Real Property (excluding land)

b. TV of Personal Property (excluding inventory)

c. Total TV

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

▶ 12b. Date district was established by local government unit (contact local unit)	▶ 12c. Is this application for a speculative building (Sec. 3(8))? <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 Robert Smith	13b. Telephone Number 248-994-2390	13c. Fax Number 248-994-0483	13d. E-mail Address Robert.Smith2@harman.c
14a. Name of Contact Person Robert Smith	14b. Telephone Number 248-994-2390	14c. Fax Number 248-994-0483	14d. E-mail Address Robert.Smith2@harman.c
▶ 15a. Name of Company Officer (No Authorized Agents) Phillip M. Eyler			
15b. Signature of Company Officer (No Authorized Agents)		15c. Fax Number	15d. Date
▶ 15e. Mailing Address (Street, City, State, ZIP Code)		15f. Telephone Number	15g. E-mail Address

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 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, and that any leases show sufficient tax liability.

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:

**Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909**

(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

Instruction for Completing Form 1012, Industrial Facilities Tax Exemption (IFT) Application

The completed original application form 1012 and all required attachments, **MUST** be filed with the clerk of the local unit of government where the facility is or will be located. Complete applications must be received by the State Tax Commission by October 31 to ensure processing and certification for the following tax year. Applications received after the October 31 deadline will be processed as expeditiously as possible.

Please note that attachments listed on the application in number 16a are to be retained by the local unit of government, and attachments listed in number 16b are to be included with the application when forwarding to the State Tax Commission (STC).

(Before commencement of a project the local unit of government must establish a district, or the applicant must request in writing a district be established, in order to qualify for an IFT abatement. Applications and attachments must be received by the local unit of government **within six months of commencement of project.**)

The following information is required on separate documents attached to form 1012 by the applicant and provided to the local unit of government (city, township or village). (Providing an accurate school district where the facility is located is vital.)

1. Legal description of the real property on which the facility is or will be located. Also provide property identification number if available.
2. Personal Property Requirements: Complete list of new machinery, equipment, furniture and fixtures which will be used in the facility. The list should include description, **beginning date of installation** or expected installation by **month/day/year**, and costs or expected costs (see sample). Detail listing of machinery and equipment **must match amount shown** on question 6b of the application. Personal property applications must have attached a certified statement/affidavit as proof of the beginning date of installation (see sample).
3. Real Property Requirements: Proof of date the construction started (groundbreaking). Applicant must include one of the following if the project has already begun; building permit, footings inspection report, or certified statement/affidavit from contractor indicating exact date of commencement.

4. Complete copy of lease agreement as executed, if applicable, verifying lessee (applicant) has direct ad valorem real and/or personal property tax liability. The applicant must have real and/or personal property tax liability to qualify for an IFT abatement on leased property. If applying for a real property tax exemption on leased property, the lease must run the full length of time the abatement is granted by the local unit of government. Tax liability for leased property should be determined before sending to the STC.

The following information is required of the local unit of government: [Please note that only items 2, 4, 5, 6, & 7 below are forwarded to the State Tax Commission with the application, along with items 2 & 3 from above. The original is required by the STC. The remaining items are to be retained at the local unit of government for future reference. **(The local unit must verify that the school district listed on all IFT applications is correct.)**]

1. A copy of the notice to the general public and the certified notice to the property owners concerning the establishment of the district.
2. **Certified copy of the resolution establishing the Industrial Development District (IDD) or Plant Rehabilitation District (PRD), which includes a legal description of the district (see sample). If the district was not established prior to the commencement of construction, the local unit shall include a certified copy or date stamped copy of the written request to establish the district.**
3. Copy of the notice and the certified letters to the taxing authorities regarding the hearing to approve the application.
4. **Certified copy of the resolution approving the application. The resolution must include the number of years the local unit is granting the abatement and the statement “the granting of the Industrial Facilities Exemption Certificate shall not have the effect of substantially impeding the operation of (governmental unit), or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in (governmental unit – see sample).**

- 5. Letter of Agreement (signed by the local unit of government and the applicant per P.A. 334 of 1993 (see sample).**
- 6. Affidavit of Fees (signed by the local unit of government and the applicant), (Bulletin 3, January 16, 1998). This statement may be incorporated into the Letter of Agreement (see sample).**
- 7. Treasury Form 3222 (if applicable - Fiscal Statement for Tax Abatement Request.**

The following information is required for rehabilitation applications in addition to the above requirements:

1. A listing of existing machinery, equipment, furniture and fixtures which will be replaced or renovated. This listing should include description, beginning date of installation or expected installation by month/day/year, and costs or expected costs.
2. A rehabilitation application must include a statement from the Assessor showing the taxable valuation of the plant rehabilitation district, separately stated for real property (EXCLUDING LAND) and personal property. Attach a statement from the assessor indicating the obsolescence of the property being rehabilitated.

The following information is required for speculative building applications in addition to the above requirements:

1. A certified copy of the resolution to establish a speculative building.
2. A statement of non-occupancy from the owner and the assessor. Please refer to the following Web site for P.A. 198 of 1974:

Please refer to the following Web site for P.A. 198 of 1974: www.legislature.mi.gov/. For more information and Frequently Asked Questions, visit our Web site at www.michigan.gov/propertytaxexemptions.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.

PROJECT DESCRIPTION

Background

Harman Becker Automotive Systems, Inc. (the “Applicant”) intends to cause a state-of-the-art facility (the “New Facility”) to be constructed on 16.5 acres at the northeast corner of M-5 and 13 Mile Road in Novi, Michigan (the “Project Site”). The Company will relocate to the New Facility approximately 800 employees currently working in Michigan, and the New Facility will serve as the Company’s headquarters in Michigan. The Company expects to add approximately 150 new employment positions at the New Facility within the first three years of its initial occupancy. Of the 150 employment positions, approximately 20 employees will work as managers with an average annual salary of \$130,000, and approximately 130 employees will work as professionals with an average annual salary of \$91,000.

The Company will occupy the New Facility pursuant to a build-to-suit lease (the “Lease”) with HCP/HBAS Building LLC, which is an affiliate of Northern Equities Group. Under the terms of the Lease, the Company will be responsible for the payment of all real and personal property taxes at the New Facility during the 15-year lease term.

The total projects costs are expected to be paid through a combination of developer contributions, the Company’s cash and state and local incentives. The New Facility will strengthen the Company’s footprint in Michigan by increasing the Company’s employment base and serving as a showcase location for the Company. It will also expand the expertise of the local labor force and assist in bolstering Michigan’s economy through the employment of well-compensated professionals. Further, by consolidating its operations into one large, state-of-the-art facility in Novi, the Company will be very well positioned for future expansion there as its business needs evolve.

Project Costs

The attached table illustrates the estimated project costs associated with the New Facility. A detailed schedule of the tenant improvements, furniture, fixtures and equipment has not yet been completed. Under the Applicant’s construction schedule, it anticipates proposing a plan for the same to the developer by September 1, 2014, and the final list of tenant improvements is expected to be completed by December 15, 2014. Furniture, fixtures and equipment will be ordered in June 2015.

Material Lease Terms

- **Landlord:** HCP/HBAS Building LLC, a Michigan limited liability company
- **Landlord’s Office:** 39000 Country Club Drive, Farmington Hills, Michigan 48331
- **Tenant:** Harman Becker Automotive Systems, Inc., a Delaware corporation
- **Lease Date:** July 10, 2014
- **Building:** A three (3) story office building with laboratory and shop space containing a gross building area of 188,042 (which is also the number of rentable square feet) (the “Building”), to be constructed on 16.5 acres of land located in the City of Novi, Oakland County, Michigan.

- Premises: The Land and all improvements to be constructed thereon, including, without limitation, the Building and the surface parking areas which shall contain a minimum of 5 spaces for each 1,000 rentable square feet (estimated to be 940).
- Floor Area: Approximately 188,042 rentable square feet.
- Term: 15 full lease years after the commencement date; two option terms of 10 lease years each for at least two full floors of the Building.
- Scheduled Occupancy Date: November 1, 2015
- Termination Date: Fifteen (15) full Lease Years after the commencement date, unless the Option Term is exercised.
- Allocation of Costs: The Landlord will construct the Building, parking lot, site improvements, landscaping, a fence, guard house and other improvements at Landlord's cost. In addition, the Landlord will construct the interior build out, finish and other interior improvements set forth in Tenant Improvement Plans to be generally described by the concept specifications to be completed on or before September 5, 2015 and the final space plan to be completed on or before October 15, 2015. Landlord will pay for the design and construction of the tenant improvements up to a maximum total charge of \$28.00 per rentable square foot (estimated to be \$5,265,176.00).
- Annual Base Rent: \$3,254,342.00 for the first Lease Year, provided that the annual base rent is subject to adjustment after construction.
- Expenses: Tenant pays all real property taxes, personal property taxes, and all building expenses (including utilities and insurance).
- Designated Use: Office, high technology, laboratory, research, and production uses accessory to the research and development component at the Property, including engineering, development and validation of electronic and acoustic components for use in the automotive industry. Tenant will maintain a cafeteria, work-out facility, auditorium, home-theatre room and related amenities.
- Guarantor: Harman International Industries, Incorporated, a Delaware corporation.

HB	Bid Code		
Square Footage	1		188,000
The following is based on estimates by		Climp	
ITEM		Cost	Cost per Square Foot
Land (acres)	16.50	\$ 6,110,000.00	\$ 32.50
Land Cost Per Square Foot:		\$ 8.50	
Building Hard Costs			
NEG Estimate for Shell/Core		\$ 13,861,240	\$ 73.73
Site fencing and guard shack allowance		\$ 150,000	\$ 0.80
High transmission rate power feed		\$ 150,000	\$ 0.80
Total Shell		\$ 14,161,240	\$ 75.33
Tenant Improvement Allowance		\$ 5,264,000	\$ 28.00
Subtotal: Shell and TI		\$ 19,425,240	\$ 103.33
Contractor Hard Costs		\$ 19,425,000	\$ 103.33
Winter Condition Contingency	0.00%	\$ 250,000	\$ 1.33
Permits and Fees - Shell	\$ 2.75	\$ 517,000	\$ 2.75
Other Municipal Fees - Shell	\$ 1.00	\$ 188,000	\$ 1.00
Edison charges, Fire Alarm, mailboxes, signage	\$ 0.25	\$ 47,000	\$ 0.25
Other Hard Costs/Extraordinary Costs/Signage Allowance	\$ 0.50	\$ 94,000	\$ 0.50
Developer/Contractor Hard Cost Contingency		\$ 122,000	\$ 0.65
Other Hard Costs		\$ 1,218,000	\$ 6.48
Total Hard Costs		\$ 20,643,000	\$ 109.80
Soft Costs			
Architectural and Engineering- Shell		\$ 328,000	\$ 1.74
Legal Fees (incl. leasing), Survey, Title, Builder's Risk		\$ 94,000	\$ 0.50
Leasing Commissions (\$11 psf less \$250,000 discount)		\$ 1,818,000	\$ 9.67
Construction and Permanent Loan Points		\$ 405,000	\$ 2.15
Taxes, Utilities and Miscellaneous during construction		\$ 94,000	\$ 0.50
Other Carrying Costs		\$ 804,000	\$ 4.28
Developer Soft Cost Contingency	1.50%	\$ 42,000	\$ 0.22
Developer Overhead (6% less \$250,000 discount)	6.00%	\$ 1,635,000	\$ 8.70
Total Soft Costs		5,220,000	\$ 27.77
Land + Hard Costs + Soft Costs (Before Int Reserve)		31,973,000	\$ 170.07
Interest reserve			
Total Interest Reserve		1,066,000	\$ 5.67
Total Development Costs:			
(Land + Hard Costs + Soft Costs + Interest Reserve)		33,039,000	\$ 175.74
Estimated Base Rent	9.850%		\$ 17.31

STANDARD LEASE FORM

THIS LEASE is made by and between Landlord and Tenant, who agree as follows:

1. Basic Lease Provisions

1.1 Landlord: HCP/HBAS Building LLC, a Michigan limited liability company

1.2 Landlord's Office: 39000 Country Club Drive
Farmington Hills, Michigan 48331

1.3 Tenant: Harman Becker Automotive Systems, Inc., a Delaware corporation

1.4 Lease Date: July 10, 2014

1.5 Building: A three (3) story office building with laboratory and shop space containing a gross building area of 188,042 (which is also the number of rentable square feet) (the "**Building**"); to be constructed on 16.5 acres of land located in the City of Novi, Oakland County, Michigan more particularly described in Exhibit A attached hereto and made a part hereof (the "**Land**").

1.6 Premises: The Land and all improvements to be constructed thereon, including, without limitation, the Building and the surface parking areas which shall contain a minimum of 5 spaces for each 1000 rentable square feet (estimated to be 940).

1.7 Floor Area: Approximately 188,042 rentable square feet – to be measured and determined in accordance with Section 2.1. In addition, if Tenant exercises the first Option Term for less than all of the Premises, the contracted Premises and the Building shall be re-measured to determine load factor and the new rentable square footage of the contracted Premises in accordance with Section 3.2.

1.8 Term: Fifteen (15) full Lease Years after the Commencement Date.

Two (2) Option Terms of ten (10) Lease Years each for at least two (2) full floors of the Building (see §3.2).

1.9 Scheduled Occupancy Date: November 1, 2015 provided the Lease is signed and the Base Building Specifications are accepted by Tenant on or before July 11, 2014. (see §2.10)

1.10 Termination Date: Fifteen (15) full Lease Years after the Commencement Date, unless the Option Term is exercised in accordance with the terms hereof.

1.11 Annual Base Rent: \$3,254,342.00 for the first Lease Year*. See Exhibits A-2 and A-3.

1.12 Monthly Installment of Base Rent: \$271,195.00 for the first Lease Year*. See Exhibit A-2 and A-3

*Subject to adjustment after construction in accordance with Section 3.2, Exhibits A-2 and A-3.

1.13 Security Deposit: None

1.14 Designated Use: Office, high technology, laboratory, research, and production uses accessory to the research and development component at the Property, including engineering, development and validation of electronic and acoustic components for use

in the automotive industry. Tenant shall also be entitled to maintain a cafeteria, work-out facility, auditorium, home-theatre room and related amenities.

1.15 Rules & Regulations: Exhibit D

1.16 Guarantor: Harman International Industries, Incorporated, a Delaware corporation.

2. Premises

2.1 Landlord leases to Tenant, and Tenant leases from Landlord, the Premises described in Section 1.6, which will consist of the Land, the Building and other improvements to be built by Landlord in accordance with this Section 2 on the Land as shown on the Site Plan attached hereto as Exhibit A (the Land, Building and other improvements are collectively referred to as the "Property"). No later than thirty (30) days after the date the floors for the Building have been poured and the Building has been enclosed (the "**Measurement Date**"), Landlord may, or upon Tenant's written request, Landlord shall cause the Architect to measure the gross building area of the Building in accordance with the BOMA Standard (as defined below) which shall also be the rentable area (there is no load factor since Tenant is leasing the entire Building), and to certify the results of such measurement to Landlord and Tenant in writing. The measured floor area of the Building shall then constitute the Floor Area of the Building effective as of the Commencement Date. If the measured Floor Area is more or less than 188,042 rentable square feet, then Landlord and Tenant shall enter into an amendment to this Lease providing for the recomputed increase or decrease in Annual Base Rental and Monthly Installments of Base Rent based upon a \$.50 per rentable square foot increase for each year after the first Lease Year; provided, however, in no event shall Base Rent be increased for any square footage in excess of 191,042 rentable square feet. The "BOMA Standard" means the Standard Method for Measuring Floor Areas – Method A, as published by the Building Owners and Managers Association International ("BOMA") ((ANSI/BOMA Z65.1—2010). If Landlord fails to so measure on its own initiative and if Tenant fails to request such measurement on or before the later of thirty (30) days after the Measurement Date or May 15, 2015, Tenant and Landlord agree that the Premises shall be deemed to include the number of square feet set forth in Section 1.7 and in no event shall Tenant or Landlord have the right to challenge, demand, request or receive any change as a result of any claimed or actual error or omission in the square footage of the Building.

2.2 Landlord shall, at its cost, construct the Building, parking lot, site improvements, landscaping, a fence, guard house and other improvements set forth in the Base Building Plans (collectively the "**Base Building**") as generally described by the specifications set forth in the attached Exhibit B-1 (the "**Base Building Specifications**") and depicted on the site plan attached hereto as Exhibit A-1 (the "**Site Plan**"). In addition, Landlord shall construct the interior build out, finish and other interior improvements set forth in the Tenant Improvement Plans to be generally described by the concept specifications to be attached to this Lease as Exhibit B-2 on or before September 5, 2015 in accordance with the terms of this Section 2 (the "**Concept Specifications**") and the final space plan to be attached hereto as Exhibit B-3 on or before October 15, 2015 in accordance with the terms of this Section 2 (the "**Space Plan**") and the exterior building sign as described on Exhibit C (collectively the "**Tenant Improvements**") in accordance with the provisions of this Section 2. Landlord shall pay all the Construction Costs (as defined below) in order to complete the design and construction of the Tenant Improvements up to a maximum total charge of \$28.00 per rentable square foot (estimated to be \$5,265,176.00) (the "Tenant Improvements Allowance"). "Construction Costs" shall be all hard costs and soft costs of design and construction including all labor and materials, all planning, architectural and engineering costs, the cost (including all governmental fees) of obtaining site plan approval, building permits and other permits and licenses, costs due to winter conditions, financing and interest costs for the improvements during design and construction, legal expenses, developer's fee described below, a general contractor's fee of 6% of total direct costs, and other costs paid or incurred by Landlord to plan, design, permit and build the Tenant Improvements. Construction Costs shall not include the following expenses: (a) legal expenses; (b) all financing and interest costs (other than regularly scheduled interest payments at the rate provided in Landlord's construction loan, which shall be a market rate of interest); (c) costs to correct defective work; (d) costs due to Landlord breaches of any contracts; (e) costs associated with violations of law; (h) costs associated with the remediation of hazardous substances other than those

incurred in the ordinary course of typical construction. As used herein, the term "Landlord's Work" shall mean construction of the Base Building and Tenant Improvements. The developer's fee for the Project shall be of 6% of Project Costs less \$250,000.00.

2.3 Landlord has engaged Faudie Architecture (the "Landlord's Architect"), who shall work with Landlord and Tenant to prepare the design, engineering, construction drawings and specifications required for the construction of the Tenant Improvements (as they may be amended by approved change orders, the "Tenant Improvement Plans and Specifications"). In connection with the development of the Tenant Improvement Plans and Specifications by Landlord's Architect and Tenant, Landlord and Tenant shall be furnished copies of the Tenant Improvement Plans and Specifications on an ongoing basis for review, comment and approval by Landlord and Tenant. The Concept Specifications (which shall consist of the preliminary floor plan for the Tenant Improvements and the technical requirements for Tenant's equipment and fixtures as developed with Tenant consistent with past practice with Landlord's affiliates) shall be completed and agreed to by Landlord and Tenant and attached to this Lease as Exhibit B-2) on or before September 5, 2014 or such other date as Landlord and Tenant may mutually agree, and Tenant Improvement Plans and Specifications shall be completed and agreed to by Landlord and Tenant on or before October 15, 2014. Unless otherwise approved by Landlord in writing, the Tenant Improvement Plans and Specifications must conform to the Concept Specifications and all local building code requirements and include a critical path construction schedule prepared by Landlord so that the improvements can be delivered to Tenant "ready for occupancy", as defined below, on or before the Scheduled Occupancy Date in the ordinary course of business and without working on an overtime basis within the Tenant Improvements Allowance parameters. Once approved by Tenant or deemed to have been approved as set forth above, all changes in excess of \$3,500.00 from the Tenant Improvement Plans and Specifications which Landlord determines may be necessary during construction shall be submitted to Tenant for Tenant's approval or rejection. If Tenant fails to notify Landlord of Tenant's approval or rejection of such changes within ten (10) days of receipt thereof, Tenant shall be conclusively deemed to have approved such changes. Landlord shall construct the Improvements in accordance with all applicable laws, rules or regulations of any governmental authority and Landlord shall comply with all requirements (including plan approval) of any applicable private building and use restrictions.

2.4 Landlord's selected general contractor (anticipated to be Cunningham-Limp) (the "Contractor") shall construct the Base Building and Tenant Improvements. Landlord shall not be required to expend any amounts in excess of the Tenant Improvements Allowance in order to construct the Tenant Improvements. The charges for the Tenant Improvements shall include all Construction Costs incurred by Landlord in completing the Tenant Improvements in accordance with the Tenant Improvement Plans and Specifications. In connection with the development of the Tenant Improvement Plans and Specifications, Landlord shall develop a line item budget estimating the cost of the Tenant Improvements. In the event the estimated Construction Costs of completing the Tenant Improvements in accordance with the Tenant Improvement Plans and Specifications shall exceed the Tenant Improvements Allowance as reasonably determined by Landlord from time to time, Tenant shall pay Landlord, within thirty (30) days of request for such payment after the Tenant Improvement Allowance has been exhausted (which request will come no more than monthly), the difference by which the estimated Construction Costs of the Tenant Improvements exceed the Tenant Improvements Allowance. In addition, if the cost of any of the Allowance Items (as defined below) shall exceed the Allowance Amounts described below, Tenant shall pay Landlord, within thirty (30) days of request for such payment after the Allowance Amounts have been exhausted (which request will come no more than monthly), the difference by which the estimated Construction Costs of the Allowance Items exceed the Allowance Amounts. The Allowance Items shall be cost for winter conditions (with an Allowance Amount of \$250,000.00), fence and guard house costs (with an Allowance Amount of \$150,000.00) and the cost to install primary power (with an Allowance Amount of \$150,000.00). Winter conditions are adverse weather conditions which increase the cost or time of construction. Examples of winter condition costs are extra stone to prevent trucks/materials/workmen from getting stuck in mud, extra soil erosion measures to prevent mud run-off; tenting to allow for cold weather work; temporary heat to allow for cold weather work; additional grading/earthwork associated to productivity loss in rainfall events such as the drying out saturated soils. Any unused portion of any Allowance Amount may be added by Tenant to any other Allowance Amount or the Tenant Improvement Allowance, and any unused portion of the Tenant Improvement Allowance or

Allowance Amounts after completion of the Landlord's Work shall be credited against the next due installments of Rent hereunder. Within a reasonable time after the completion of construction, Landlord shall determine actual Construction Costs for completing the Tenant Improvements and Allowance Items in accordance with the Tenant Improvement Plans and Specifications (including change orders approved pursuant to this Section 2) and the amount, if any, by which they exceeded the Tenant Improvements Allowance or Allowance Amounts, as applicable. Any underpayment shall be paid by Tenant to Landlord, within thirty (30) days of request for such payment, and any resulting overpayment shall be promptly refunded to Tenant or, at Tenant's option, credited against the next due installments of Rent hereunder.

2.5 Any change to the Base Building Specifications, the Base Building Drawings, the Tenant Improvement Plans and Specifications and any change to an Allowance Item desired by Tenant will be subject to Landlord consent which will not be unreasonably withheld, and must be set forth in a written change order signed by Landlord and Tenant that describes in detail the change, an estimate of the additional construction time, if any, that will be required to complete the Tenant Improvements as a result of the change, and an estimate of the Construction Costs to be incurred as a result of such change order. Once submitted, the change order must be approved by Tenant in writing (including Tenant's agreement to pay the actual excess Construction Costs) within twenty four hours after notice has been given to Tenant after a change order for winter conditions and seven (7) days for all other change orders else the change order shall be deemed rejected. Also, all delivery dates which Landlord has obligated itself to satisfy shall be extended one day for each day of additional construction time that is required as a result of a Tenant initiated change order, it being agreed that Landlord shall have no obligation to do any work described in a change order on an overtime basis to avoid incurring construction delays. Tenant shall pay Landlord, within ten (10) days of request for such payment (which request will come no more than monthly), the excess Construction Costs to be incurred as a result of any Tenant change order, if any. Tenant shall not be responsible for any cost overruns for the Base Building (other than Tenant requested change orders and the Allowance Items).

2.6 Landlord shall cause the Contractor to construct the Landlord's Work. Landlord shall enter into all such contracts and arrangements as shall be necessary or desirable for the construction and installation of the Landlord's Work. The contract with the general contractor shall be based on a guaranteed maximum price and overhead, profit and insurance shall be 6% of the direct construction costs. Prior to Landlord or the Contractor executing a binding contract with any material suppliers or contractors, a list of such suppliers and contractors shall be provided to Tenant for its reasonable review. Landlord agrees in good faith to consider objections to any suppliers or contractors raised by Tenant within five (5) days after receipt of the list. Further, a major subcontracts and supply agreements (i.e. contracts with a value in excess of \$50,000), shall be bid out to at least three (3) contractors or suppliers approved by Tenant (with Landlord and the Contractor being required to accept the lowest qualified bid). Landlord shall diligently seek and obtain all required governmental permits, licenses and approvals required for the construction of the Landlord's Work (the "Permits"). Landlord shall commence performance of Landlord's Work as soon as reasonably possible following issuance of the Permits required for the commencement of the Landlord's Work (if portions of the work can reasonably be commenced before all Permits are in place, then Landlord shall do so) and shall diligently pursue the Landlord's Work to completion.

2.7 Landlord agrees to an "open book" approach with Tenant in determining the final Construction Costs and Project Costs. Upon Tenant's reasonable request, Tenant shall be provided with copies of contracts, subcontracts, work orders, payment applications, sworn statements, invoices and other reasonable and customary documentation issued or obtained by Landlord with respect to the Landlord's Work.

2.8 Vahe Tazian, Phil Eyler, and Chris Thibodeau shall each be a (the "**Tenant Representative**"), and agent for the purpose of receiving notices, and taking all other actions permitted, authorized or required under this Section 2 and who will oversee the project schedule, manage long lead time items, administer change orders, ensure conformity of the Landlord's Work with the Plans and Specifications, and manage the Tenant's contractors. Landlord hereby designates Mathew Sosin and Brian Hughes as its representatives and agent for the purpose of receiving notices, and taking all other

actions permitted, authorized or required under this Section 2 (the "**Landlord Representative**"). All communication and decisions required with respect to the Landlord Work from the Tenant to the Landlord shall be directed to Landlord Representative. All communication and decisions required with respect to the Landlord's Work from the Landlord to the Tenant shall be directed to the Tenant Representative. Communications by email between the representatives shall be deemed a writing for purposes of this Section 2 and are authorized and binding. Tenant and Landlord may amend the designation of its construction representative(s) to add or substitute additional representatives at any time upon delivery of written notice to the other including the name and contact information of such additional or substitute representative. Such change will be effective upon delivery to the then current representatives of the receiving party.

2.9 Landlord shall permit Tenant, Tenant's Representative and Tenant's other agents to enter the Premises prior to the Commencement Date in order for Tenant to inspect the construction of the Landlord's Work. As Landlord's Work progresses, Landlord, Tenant (or Tenant's Representative), the Architect and the Contractor shall conduct joint weekly inspections to review the status of Landlord's Work. The Tenant Representative shall be required to be present at such weekly meetings and any delay resulting from the failure of Tenant's Representative to attend shall be a Tenant Delay. Landlord, Tenant, the Architect and the Contractor shall cooperate with one another to schedule these weekly inspections at a mutually convenient time. Any entry upon the Premises by Tenant or Tenant's Representative or any failure by the Tenant or the Tenant Representative's to disclose a defect in construction during the course of construction of which Tenant's Representative has actual (not constructive) knowledge, shall constitute a waiver of the defect and any of Landlord's obligations under this Lease (including but not limited to Landlord's obligation to correct defects or nonconforming aspects of the work).

2.10 Landlord shall use commercially reasonable efforts to construct the Landlord's Work in accordance with the construction schedule attached hereto as Exhibit E (as modified by Change Orders, the "**Schedule**"). Landlord shall use commercially reasonable efforts to deliver the Premises "ready for occupancy" (as defined below) to Tenant on or before the Scheduled Occupancy Date set forth in Paragraph 1.9, subject to Force Majeure and Tenant Delays (each as defined below). Landlord shall update the preliminary construction schedule from time to time and circumstances may warrant. The Scheduled Occupancy Date and the Outside Date (defined below) will be rescheduled for a later date if the Lease is not signed by July 11, 2014, or the Tenant Improvement Plans and Specifications are not approved by Tenant by September 1, 2014. The Premises will be conclusively deemed "ready for occupancy" on the earlier to occur of when: (i) the work to be done under this Section has been substantially completed and after the issuance of (A) a conditional or temporary certificate of occupancy for the Premises by the appropriate government agency within whose jurisdiction the Building is located or (B) a Certificate of Substantial Completion by the architect for the building, or (ii) when Tenant takes possession of the Premises (however, the exercise by Tenant of its rights to Section 2.11 shall not be considered the taking of possession of the Premises). The Premises will not be considered unready or incomplete if only minor or insubstantial details of construction, decoration or mechanical adjustments remain to be done within the Premises, or if interior finish, architectural details or similar work requested by Tenant remains incomplete. In addition, if in good faith Landlord is delayed or hindered in any construction (including punch list items) by "Force Majeure" event (as defined below), the date for the delivery of the Premises to Tenant "ready for occupancy" shall be extended for the period of delay caused by the Force Majeure or Tenant Delay (as defined below). A "Force Majeure" event shall be fires or other casualties beyond the reasonable control of Landlord, any unusual delays in transportation, national emergency, terrorism, riots, insurrection, or war, any labor dispute, strike, or lockout beyond the reasonable control of Landlord, unavailability of material or similar construction delay beyond the reasonable control of Landlord, winter conditions and other severe weather, acts of God, unanticipated delays (*i.e.*, those in excess of the time periods reflected in the Schedule) caused by governmental action or inaction beyond the reasonable control of Landlord but excluding any delay due to Landlord's failure to apply for a permit or take other action in a timely manner, riots, insurrection, war or other casualty or any other events of a like nature which the Landlord or its contractors could not reasonably control or reasonably circumvent. In the event of a Force Majeure event, Landlord shall give written notice of such event to Tenant within one (1) month the occurrence and discovery by Landlord of the delay, and the failure to provide such notice will void Landlord's ability due to such event to extend the applicable dates

set forth herein. If Landlord is delayed or hindered in construction (including punch list items) as a result of change orders or other requests by, or acts or omissions of, Tenant, including delay resulting from the failure of Tenant to approve any change order for winter conditions ("Tenant Delay"), the date for the delivery of the Premises to Tenant "ready for occupancy" shall be extended by the number of days of delay caused by Tenant Delay. The date Landlord delivers the Premises to Tenant "ready for occupancy" is herein referred to as the "Occupancy Date."

2.11 Landlord will use commercially reasonable efforts to give Tenant not less than sixty (60) days advance notice of the actual completion date of Landlord's Work. During this sixty (60) day period and subject to Tenant's compliance with all applicable laws and obtaining all applicable permits, Landlord shall grant Tenant access to the Premises for the purpose of installing its racking, cabling, and other fixtures and equipment. Tenant shall be subject to reasonable guidelines, rules and requests communicated by Landlord from Tenant from time to time and Tenant shall not interfere with or delay the construction of the Premises or the completion of Landlord's Work in any material respect. Landlord and Tenant each hereby agree to keep the other regularly apprised of their respective construction schedules and any changes thereto to facilitate an orderly construction process. No Rent or other occupancy charges shall be due from Tenant in connection with this early access. It is specifically understood and agreed that during this early occupancy period both Landlord and Tenant shall cooperate and coordinate their efforts in such a way as to avoid hindering, delaying or impeding the completion of the Landlord's Work in the Premises.

2.12 In the event the Occupancy Date does not occur on or before November 1, 2015 (the "Trigger Date"), except for delays caused by Force Majeure or a Tenant Delay, then Tenant, as its sole and exclusive remedy, Tenant shall be entitled to a rental abatement of two (2) days of Base Rent for each day that elapses between the December 15, 2015 (the "Outside Date") and the actual Occupancy Date (which rental abatement shall commence upon the Commencement Date) ("Base Rent Abatement"). In addition, notwithstanding anything set forth in this Lease to the contrary, in the event the Occupancy Date does not occur on or before February 1, 2016, except for delays caused by Force Majeure or Tenant Delay, then Tenant shall have the right to notify Landlord of Tenant's intent to terminate this Lease by the delivery of written notice thereof to Landlord on or before March 1, 2016 and if Landlord shall fail to deliver the Premises to Tenant "ready for occupancy" on or April 30, 2016, Tenant may exercise its self-help remedies under Section 17 of this Lease and pursue any other remedy permitted under applicable law. Otherwise, Landlord shall not be subject to any liability for failure to deliver possession of the Initial Premises to Tenant "ready for occupancy" on the Scheduled Occupancy Date and the validity of the Lease shall not be impaired by such failure.

2.13 By occupying the Premises, Tenant will be deemed to have accepted the Premises and to have acknowledged that they are in the condition called for in this Lease, subject only to latent defects, the failure of Landlord to construct the Premises in accordance with the Base Building Specifications, the Base Building Drawings, the Tenant Improvement Plans and Specifications (as identified by Tenant in writing within 90 days of the Commencement Date) and to "punch list" items (as the term "punch list" is customarily used in the construction industry in the area where the Building is located) identified by Tenant by written notice delivered to Landlord within thirty (30) days after the date Landlord tenders possession of the Premises to Tenant. Landlord agrees to use reasonable efforts to complete all punch list items within thirty (30) days after the timely delivery of the punch list. Landlord shall notify Tenant at least ten (10) days prior to the date on which it believes Substantial Completion of Landlord's Work will occur, so that Landlord and Tenant can make a final inspection of the Premises and provide its written punchlist of incomplete items. In the event of any dispute between Landlord and Tenant as to the Landlord's Work (including as to whether or not Landlord has achieved Substantial Completion), such dispute shall be resolved by a mutually selected architect or contractor, the cost of which shall be shared equally by the parties.

2.14 The contract with the Contractor shall include at least a 12 month general construction warranty. Landlord hereby assigns to Tenant (to the extent assignable) all warranties, guaranties and indemnities, express or implied, and similar rights which Landlord may have against any manufacturer, seller, engineer, architect, contractor or builder in respect of the Landlord's Work, including, but not

limited to, rights and remedies existing under contract or pursuant to the Uniform Commercial Code (collectively, the "**Contractor Warranties**"). Notwithstanding such assignment, Landlord retains the right to enforce such Contractor Warranties and Tenant reserves the right to have Landlord, at its cost, to use commercially reasonable efforts to enforce any such Contractor Warranties upon request of Tenant. Upon the expiration or sooner termination of the Lease, the Contractor Warranties (if any remain) shall automatically revert to Landlord.

2.15 Prior to the Commencement Date, in the event (a) the Landlord is in default (after expiration of grace, notice and cure periods) under the construction loan obtained from a lender ("Bank") in connection with the Landlord's Work and the Bank thereafter ceases funding the construction loan to the Landlord, or (b) Tenant is permitted under Section 2.12 to exercise its self help remedy, then the Tenant shall have the right to take over construction of the Landlord's Work and complete, or cause the completion of, the Landlord's Work (the "Self Help Right"). If the Tenant exercises the Self Help Right, the Landlord shall cease all work and related supervisory activities and reasonably cooperate with Tenant in the transition of the work to Tenant. Notwithstanding the foregoing, the Tenant agrees that it shall provide written notice to the Bank prior to exercising the Self Help Right, and shall not exercise the Self Help Right if within five (5) business days after receipt of such notice from the Tenant, the Bank agrees in writing to complete the Landlord's Work and diligently does so. The Tenant's rights under this Section are in addition to any other rights and remedies set forth in the Lease as a result of the Landlord's breach of the Lease.

2.16 All reasonable costs and expenses incurred by the Tenant in connection with exercising its Self Help Right and completing the Landlord's Work may be offset in accordance with Section 17.15 of this Lease.

2.17 Subject only to a first lien granted to the Bank, the Landlord hereby collaterally assigns to the Tenant and grants to the Tenant the right to utilize the following in the event that the Tenant is entitled to exercise the Self Help Right: (a) the contract with the Contractor and all other construction contracts for the Landlord's Work; (b) any agreements with the Architect relating to the Landlord's Work; (c) the Working Drawings and the Plans and Specifications, (d) all assignable permits, licenses, authorizations, warranties and all other rights of the Landlord relating to the Landlord's Work and (e) all amendments, modifications, supplements, general conditions and addenda to any of the foregoing (collectively, the "Construction Materials"). At the request of Tenant, Landlord agrees to use commercially reasonable efforts to obtain from the Contractor and Architect a written consent to the foregoing assignment and an agreement to continue to perform under their respective contracts if Tenant pays the amounts due under such contracts. Landlord agrees to use commercially reasonable efforts to obtain an agreement from the Bank giving Tenant the right to utilize all of the Construction Materials. Landlord will use commercially reasonable efforts to cause any agreement with the Bank or other lenders (including an SNDA agreement) to provide that Tenant is entitled to exercise its Self Help Right and to deduct its costs from the Base Rent as set forth in this Lease.

3. **Term**

3.1 The initial term of this Lease (the "**Initial Term**" and together with any exercised Option Terms, the "**Term**") will commence (the "**Commencement Date**") be on the earlier of: (i) the date Tenant takes possession of the Premises; (ii) the date upon which the Landlord delivers the Premises to Tenant broom clean and with the Landlord's Work Substantially Completed in accordance with the provisions of Section 2 above; or (ii) the date the Commencement Date would have occurred in the absence of Tenant Delay. Unless sooner terminated or extended in accordance with the terms hereof, the Lease will terminate the number of Lease Years and Months set forth in Section 1.10 after the Commencement Date. The term "**Lease Year**" shall mean each 12 month period commencing on the Commencement Date and continuing each 12 month period thereafter on the anniversary of the Commencement Date; provided, however, if the Commencement Date is other than the first day of a calendar month, the first Lease Year shall begin on the first day of the first full calendar month following the Commencement Date, and each 12-calendar-month period thereafter during the Term shall be a Lease Year. Upon request by

Landlord, Tenant will execute a memorandum in order to confirm Commencement Date and the expiration date of the Initial Term.

3.2 Provided (i) Tenant (or an affiliate pursuant to an Affiliate Subletting/Assignment as defined in Section 14.1) is the Tenant originally named herein, (ii) Tenant (or an affiliate pursuant to an Affiliate Subletting/Assignment as defined in Section 14.1 or a permitted assignee pursuant to a Permitted Transfer) actually occupies a majority of the Premises, and (iii) no uncured event of default of the Tenant's obligations hereunder (after written notice of default and beyond the applicable cure period) shall be outstanding on the date of the giving of the notice of exercise described below, Tenant shall have the right to renew and extend this Lease for two (2) additional terms of ten (10) Lease Years each for at least two (2) full floors contiguous space of the Building (individually an "**Option Term**" and collectively the "**Option Terms**"). Tenant may exercise each Option Term, if at all, by the delivery to Landlord of a written notice of its election to renew the Lease for the Option Term not later than eighteen (18) months prior to the expiration of the then current Term or the then current Option Term, as the case may be. Tenant's election to renew the Lease for the first Option Term shall also designate the portion of Building it desires to lease which shall contain at least two (2) full floors of contiguous space in the Building and shall not leave any un-leased space in a size or configuration which is not reasonably marketable (in Landlord's reasonable opinion) or without access to bathrooms and the lobby of the Building. Upon notice of Tenant's desire to renew for less than 100% of the Building, Landlord, will cause its architect to compute the useable floor area of the renewed space using the current BOMA method to determine the useable square footage of the contracted Premises and the load factor to be applied in order to determine the rentable square footage of the contracted Premises, all of which shall be reasonable acceptable to Landlord and Tenant. Under no circumstances shall the rentable square footage of the entire Building be more or less than a number determined in accordance with Section 2.1. The new Premises, including a market load factor, once agreed to by Landlord and Tenant, shall be fixed and used for the second Option Term if it is exercised by Tenant. Landlord shall make the alterations which are reasonably necessary to demise the new contracted Premises from the remainder of the Building and to modify the Property for multi-tenant use, and Tenant shall pay the Construction Costs thereof which modifications and areas of the Premises to be designated as common areas, shall be subject to Tenant's reasonable approval. In the event that the Tenant has not timely delivered written notice of its intention to exercise such option prior to the expiration of the Initial Term of the Lease, or the first Option Term, as the case may be, Tenant shall have no further right to exercise such option for the ensuing Option Term(s). Upon delivery of such election, the Lease shall be deemed renewed and extended for the applicable Option Term on the same covenants, agreements, terms and conditions herein contained except that:

- (a) The Annual Base Rent for the first Lease Year of the first Option Term shall be the greater of (i) the per rentable square foot Base Rent for the 8th Lease Year of the then current Term, or (ii) the then fair market value for rent for the Premises for the first Lease Year of the first Option Term as determined in accordance with this Lease. The Annual Base Rent for the first Lease Year of the second Option Term shall be the then fair market value for rent for the Premises for the first Lease Year of the second Option Term as determined in accordance with this Lease. The Annual Base Rent for the each subsequent Lease Year of each Option Term shall increase by \$.50 per rentable square foot. If Landlord and Tenant fail to agree as to fair market rent at least fourteen (14) months prior to the commencement of the Option Term, then the Annual Base Rent for the first Lease Year of the Option Term shall be determined in accordance with Section 3.3 below.
- (b) The other changes to the Lease to revise the definition of the Premises and to make such other changes as reasonably required by Landlord and Tenant to reflect the fact during the Option Term that the remainder of the non-leasable areas of the Property will be common areas which Tenant shall have only a non-exclusive right to use, that Tenant will pay its proportionate share of Real Estate Taxes and Building Expenses and other changes set forth in Landlord standard as necessary to reflect that the Building is a multi-tenant facility (which changes

shall be in form similar to those used by Tenant at its prior lease space in Haggerty Corridor Office Park from affiliates of Landlord).

Within fifteen (15) days after the determination of the Annual Base Rent and the reconfiguration of the Premises and the Property, Landlord and Tenant negotiate an amendment to this Lease to reflect the changes described in this Section 3.2.

3.3 If the parties fail to reach an agreement for market rental at lease fourteen (14) months prior to the commencement of the Option Term, then Tenant may elect to revoke the renewal, in which case the term of the lease will end at the expiration of the then current term. If Tenant does not elect to terminate the renewal, then the parties shall proceed as follows:

(i) Within fifteen (15) days after the end of the negotiation period, Landlord and Tenant shall each simultaneously submit to the other in a sealed envelope its suggested market rate for the Premises (but Landlord's and Tenant's figure need not be the same figure as provided previously). If the higher of such suggested rentals is not more than 105% of the lower of such suggested rentals, then the average of the two suggested rentals shall be the fair market rent. Otherwise the determination of the market rate shall be made in accordance with paragraph (ii) below

(ii) Within ten (10) business days after the expiration of the 15 day period referred to in paragraph (i) above, Landlord and Tenant shall mutually select an MAI appraiser with at least five (5) years of experience in appraising similar space in Novi, Michigan and related areas. If the parties cannot agree on such an appraiser, then within five (5) business days thereafter, each shall select an independent MAI appraiser meeting the aforementioned criteria and within five (5) business days thereafter the two appointed appraisers shall select a third appraiser meeting the aforementioned criteria and the third appraiser shall determine the base rent for such period in accordance with this Section. If either Landlord or Tenant shall fail to make such appointment within said five (5) day period, the other shall make such appointment on its behalf. Once the appraiser or third appraiser has been selected, each of Landlord and Tenant shall submit to such appraiser its suggested market rate as submitted to the other party pursuant to paragraph (i) above. As soon thereafter as practical, the appraiser shall select only one of the two suggested market rates submitted by Landlord and Tenant that is closest to the fair market rental as determined by such appraiser, and not any other amount. In making their determination of fair market rent, the appraiser shall consider fair market value to be the then prevailing rental rate for comparable space in a comparable building in Novi, Michigan and related areas, taking into consider any tenant incentives, allowances and inducements (but only to the extent such incentives, allowances and inducements will be provided to Tenant). Landlord and Tenant shall each pay the fees and expenses of their own appraiser and shall each be responsible for 1/2 of the fees and expenses of the third appraiser. The appraiser shall be bound by the provisions of this Lease and shall not add to, subtract from, or modify any of such provisions.

4. Rent

4.1 Beginning on the Commencement Date, Tenant shall pay to Landlord the Annual Base Rent, as it may be adjusted pursuant to this Lease. The Annual Base Rent shall be determined in accordance with Exhibit A-2. The Annual Base Rent shall be paid in Monthly Installments of Base Rent. In addition to the Annual Base Rent, Tenant shall pay as additional rent (the "**Additional Rent**") certain charges designated in this Lease. The Annual and Monthly Base Rent are sometimes generically referred to herein as the "**Base Rent**," and the Base Rent and Additional Rent collectively the "**Rent**."

4.2 Commencing on the Commencement Date, all Rent will be paid to the order of Landlord, in advance, except as expressly set forth herein, without any abatement, setoffs or deductions, on the first day of each and every calendar month (the "**Rent Day**") at Landlord's Office, or at such other place as Landlord may designate in writing. The Rent for any partial calendar month of the Term will be prorated on a daily basis based on the number of days in the month. With respect to payment of Additional Rent

not expressly set forth herein Tenant, Tenant shall pay such amounts within thirty (30) days of being invoiced therefor. Any Rent or other sums, if any, payable by Tenant to Landlord under this Lease which are not paid within five (5) business days after they are due, will be subject to a late charge of five (5%) percent of the amount due; provided, however, with respect to the first non-payment in a Lease Year, such late charge shall not be imposed unless the non-payment continues for more than ten (10) days after Tenant receives written notice from the Landlord of the non-payment. Such late charges will be due and payable as Additional Rent on or before the next Rent Day.

4.3 Except as otherwise set forth in this Lease (including in Section 6), Landlord and Tenant acknowledge and agree that the Base Rent due hereunder together with any adjustments thereto made during the Term of this Lease shall be absolutely net of all costs, expenses, taxes (real and personal), assessments and charges of every kind and nature whatsoever relating to the ownership, occupancy or use of the Premises which Landlord is expressly entitled to charge to Tenant under the terms of this Lease.

5. Taxes and Assessments

5.1 Commencing on the Commencement Date, Tenant shall pay, as Additional Rent, all Real Estate Taxes (as hereinafter defined).

5.2 Real Estate Taxes shall mean real estate taxes, ad valorem taxes, assessments (general, special, ordinary or extraordinary), sewer rents, rates and charges, taxes based upon the receipt of rent (other than federal, state and local income taxes), and any other federal, state or local charge (general, special, ordinary or extraordinary) which may now or hereafter be imposed, levied or assessed against the Property. Real Estate Taxes shall not include documentary stamp taxes imposed upon deeds in Michigan, Landlord's federal, state or local income, franchise taxes, profit, excise, capital stock, succession, transfer, sales (other than sales taxes expressly imposed upon the Base Rent paid hereunder by Tenant), gift, estate or inheritance taxes assessed or imposed upon Landlord, if any, unless such tax constitutes an "in lieu of tax" under the following sentence. In the event that there shall be imposed a tax or assessment of any kind or nature upon, against or with respect to the Property or the rents payable by Tenant or with respect to the Landlord's ownership interest in the Property, which tax is assessed or imposed by way of substitution for or in addition to all or any part of the Real Estate Taxes, such tax shall be part of the Real Estate Taxes. Further, Real Estate Taxes shall not include any portion of any tax or assessment expense or any increase therein (i) in excess of the amount which would be payable if such tax or assessment expense were paid in installments over the longest possible term; (ii) imposed on land and improvements other than the Property. In the event any Real Estate Taxes are payable without penalty in installment (such as special assessments), the Tenant shall only be required to pay those installments which are due during the Term of this Lease.

5.3 If Tenant obtains a tax abatement, and in order to maintain the abatement Tenant is required to pay Real Estate Taxes directly to the taxing authorities, then for all Real Estate Taxes applicable to the Term, Tenant shall make direct payments of Real Estate Taxes to the taxing authorities and personal property taxes and provide proof of payment to Landlord within fifteen (15) days of payment; Tenant shall pay such taxes prior to any penalty for late payment. If Tenant vacates the Premises before its tax abatement expires, Tenant shall be responsible for all penalties, costs or repayments. If Tenant is not required to not to pay Real Estate Taxes directly to the taxing authorities, then on each Rent Day during the Term, On each Rent Day during the Term, Tenant shall pay Real Estate Taxes by depositing with Landlord an amount equal to one-twelfth (1/12th) of the estimated Real Estate Taxes as reasonably determined by Landlord. Landlord reserves the right to adjust such estimates at any time Landlord deems appropriate. If the funds deposited with Landlord shall be insufficient to pay Real Estate Taxes in full at least thirty (30) days prior to the date they become due, Tenant shall, immediately upon demand by Landlord, deposit with Landlord such Additional Rent as may be required by Landlord to enable it to make such payment. In the event the funds deposited with Landlord shall exceed the amount required for the payment of Real Estate Taxes, the excess shall be credited by Landlord to the subsequent deposits required to be made by Tenant to pay future Real Estate Taxes or refunded at the end of the Lease. Upon request, Landlord shall furnish Tenant with copies of paid bills for the Real Estate Taxes.

5.3 During the calendar years in which the Term commences and terminates, Tenant's liability for Real Estate Taxes for such year shall be subject to a pro rata adjustment based upon the total number of days in the calendar year falling within the Term, and such sums paid by the applicable party to the other party within ten (10) days after demand by the other party.

5.4 In addition to the payment of the Real Estate Taxes, Tenant shall pay in full to the appropriate taxing authority, before delinquent, all municipal, county, and state taxes assessed, levied or imposed upon Tenant's leasehold interest and all of Tenant's furniture, fixtures, machinery, equipment, apparatus, systems and all other personal property of any kind located at the Premises.

5.6 Unless Landlord has commenced a protest of the Real Estate Taxes, Tenant shall have the right, but not the obligation, to initiate and prosecute a protest of the Real Estate Taxes. Landlord, without charge to Tenant other than the reimbursement of Landlord's reasonable third party expenses, shall cooperate reasonably in the prosecution of any tax protest by Tenant; provided, however that Tenant shall bear the cost and expense the tax protest. In the event Landlord or Tenant obtain a reduction in Real Estate Taxes attributable to any year during the Term of this Lease, the amount so refunded, less reimbursements to Landlord and Tenant for the costs and expenses incurred in connection therewith, including reasonable attorney's fees, shall be paid to Tenant.

6. **Building Expenses**

6.1 Commencing on the Commencement Date, Tenant shall pay, as Additional Rent, all Building Expenses (as hereinafter defined), subject to the limitations and exclusions set forth herein.

6.2 Landlord shall be responsible for, at its sole cost and without inclusion in Building Expense, the replacement of the structure of the Building, including foundations, pile caps, exterior walls, interior load bearing walls, columns, beams, struts, ties, plates, joists and trusses (the "**Landlord's Replacement Expenses**").

6.3 "**Building Expenses**" shall mean, subject to the exclusions and limitations set forth herein, the actual, reasonable and competitive costs and expenses of every kind and nature paid by Landlord in operating, insuring, equipping, policing, protecting, lighting, heating, cooling, insuring, repairing, replacing and maintaining the Premises and the personal property used in conjunction therewith, excluding, however, all charges for electricity and other utilities used or consumed by Tenant upon the Premises which shall be paid by Tenant pursuant to Section 9 hereof. Building Expenses shall include, without limitation, those expenses paid or incurred by Landlord for maintaining, operating and repairing the Property, the cost of heating, lighting and air conditioning for the Premises, window cleaning, insurance (to the extent commensurate with types, coverage and premium levels maintained by owners for comparable properties in area), including, but not limited to, fire, extended coverage, liability, workmen's compensation, elevator, boiler and machinery, war risk, or any other insurance carried in good faith by Landlord and applicable to the Property; painting, uniforms, management fees (equal to 5% of the Rent), supplies, sundries, sales or use taxes on supplies or services; janitorial expenses, cost of wages and salaries of all persons engaged in the operation, maintenance and repair of the Property (excluding executive level and administrative level employees), and so-called fringe benefits, including social security taxes, unemployment insurance taxes, cost of providing coverage for health and disability benefits; cost of any pensions, hospitalization, welfare or retirement plans, group insurance plans, or any other similar or like expenses, or any other similar or like expenses which Landlord pays or incurs to provide benefits for employees so engaged in the operation, maintenance and repair of the Property; the costs of maintenance for movable equipment and personal property; the cost of the maintenance and repair of the HVAC systems, or of major components thereof; the amortized cost of any capital expenditures in accordance with Section 6.3 hereof; the cost of repairs or other activities arising out of the presence of hazardous substances caused by Tenant; the charges of any independent contractor who, under contract with Landlord or its representatives, does any of the work of operating, maintaining or repairing of the Property; accounting expenses, expenses as relate to seeking or obtaining reductions in and refunds of Real Estate Taxes to the extent Tenant requests Landlord to pursue such action (or if

Landlord undertakes on its own, then only if Landlord prevails and the costs included each year shall not exceed the savings achieved for such year); or any other expenses or charges, whether or not previously mentioned, which in accordance with sound accounting and management principles would be considered as an expense of maintaining, operating, or repairing the Property. Building Expenses shall not include Real Estate Taxes (which shall be paid by Tenant in accordance with Section 5 of this Lease).

6.4 Except in the event of an emergency, Landlord shall present for Tenant's approval, which shall not be unreasonably withheld, conditioned or delayed, any capital expenditure (other than the Landlord Replacement Expenses), together with Landlord's determination of the amortizable useful life of the item to be repaired or replaced. Landlord will be responsible for paying the initial cost of all capital expenditures, and Tenant shall reimburse Landlord for the amortized cost thereof on a straight-line basis over the useful life of the item during the Term of this Lease (including any exercised Option Term), without interest. Tenant shall not be responsible to reimburse Landlord for the amortized portion of the cost which continues beyond the Term (including any exercised Option Term) of this Lease. If Landlord and Tenant are unable to agree on the amortizable useful life or the necessity of the capital expenditure as described above, then the dispute shall be submitted to arbitration by three (3) arbitrators (one chosen by Landlord, one chosen by Tenant and the third chosen by the mutual agreement of those two arbitrators) each of whom are members of the American Arbitration Association in Detroit, Michigan for determination in accordance with its rules and regulations then in effect. Any determination made pursuant to the provisions of this section shall be final upon the parties whether or not a judgment shall be entered thereon in any court. In making their determination, the arbitrators shall consider when similar capital expenditures are made for comparable buildings in Novi, Michigan and related areas (but not who pays for the expenditure), and the opinions of engineers concerning the useful life of the expenditure. Landlord and Tenant shall each pay the fees and expenses of the arbitrator they choose and shall each be responsible for 1/2 of the expenses of such third arbitrator. The arbitrators shall be bound by the provisions of the Lease and shall not add to, subtract from, or modify any of such provisions.

6.5 On each Rent Day during the Term, Tenant shall pay Building Expenses by depositing with Landlord an amount equal to one-twelfth (1/12th) of the estimated Building Expenses as reasonably determined by Landlord and set forth in a written notice provided to Tenant on or before March 1 of each year. If after delivery of the annual Statement to Tenant it is determined that the funds deposited with Landlord for a particular year were less than the Building Expenses for the prior year as reflected on the Statement, then Tenant shall, within ten (10) days after demand by Landlord, pay to Landlord such shortfall. In the event the funds deposited with Landlord for a particular year shall exceed the amount of the actual Building Expenses for such year as shown on the Statement, the excess shall be credited by Landlord to the subsequent deposits required to be made by Tenant to pay future Building Expenses or refunded at the end of the Lease Term. Any additional sums requested by Landlord for a particular calendar year more than two (2) years after the calendar year in which the expense was incurred shall be of no force or effect, and shall be uncollectible from Tenant.

6.5 No more than twice a year, Landlord shall have the right to adjust the amount of the monthly estimated Building Expenses being paid by Tenant. At the time of any adjustment, Landlord shall furnish to Tenant evidence of the increase in Building Expenses reasonably sufficient to sustain the adjustment. If Tenant is not satisfied with Landlord's determination of the amount of such Additional Rent, Tenant shall pay the Additional Rent, but Tenant shall have the right to require Landlord to furnish to Tenant a detailed statement of the basis for such increase. On or before March 1 of each year, Landlord will furnish the Tenant a statement showing in detail the Building Expenses and Real Estate Taxes for the expired calendar year (the "**Statement**"). The Statement shall be binding upon Landlord. Tenant shall have the right, at its sole cost and expense, to audit Landlord's records at the Landlord's office relating to Real Estate Taxes and Building Expenses solely for the purpose of determining the amounts paid by Tenant pursuant to Section 6 of this Lease. Any resulting overpayment or underpayment will be paid by Landlord or Tenant, as the case may be, within ten (10) days after the audit results are accepted by Landlord and Tenant. Tenant may only conduct an audit (i) upon reasonable notice to Landlord so as to allow Landlord sufficient time to compile its records and make them available to Tenant at Landlord's office or another location used by Landlord; (ii) not more than two (2) years after Tenant receives the annual Statement of Real Estate Taxes and Building Expenses for the subject year. If as a result of any such audit it is determined that Landlord

overstated the total amount of Real Estate Taxes and Building Expenses in any calendar year by more than 5%, Landlord shall reimburse Tenant for the actual but reasonable third party cost of such audit.

6.6 Notwithstanding the foregoing, Building Expenses and Real Estate Taxes shall exclude the following items:

- (a) Advertising and promotional expenditures;
- (b) Payments of principal and interest or other finance charges made on any debt and rental payments made under any ground or underlying lease or leases, except to the extent that a portion of such rental payments is expressly for ad valorem/real estate taxes or Insurance premiums on the Property;
- (c) Out of pocket costs incurred in connection with the sale, financing, refinancing, mortgaging, leasing, selling or change of ownership of the Property, including brokerage commissions, attorneys' and accountant fees, closing costs, title insurance premiums, transfer taxes and interest charges, excluding, however, any increase in Real Estate Taxes incurred in connection therewith or otherwise;
- (d) Provided Tenant has made all its payments hereunder in a timely manner, costs, fines, interest penalties, legal fees or costs of litigation incurred due to the late payment of taxes, utility bills and other costs incurred by Landlord's failure to make such payments when due;
- (e) Costs incurred by Landlord for trustee's fees, partnership or organizational expenses;
- (f) Restoration costs incurred by Landlord in the event of a fire or other casualty, excluding Landlord's commercially reasonable deductibles or self-insured retention if this Lease is not terminated due to the casualty;
- (g) Landlord's Replacement Expenses;
- (h) Capital improvements made by Landlord to reduce other Building Expenses, unless approved by Tenant and amortized in accordance with Section 6.4;
- (i) Repairs or rebuilding necessitated by condemnation.
- (j) Cost of renovating or modifying space in the Property for Lease to other tenants
- (k) Any costs for which Landlord has been reimbursed, whether by insurance proceeds or warranty or other third party payment (other than reimbursement as part of the other permitted Building Expenses);
- (l) Compensation or benefits paid to any employee of Landlord or any property manager or maintenance personnel at or below the grade of property manager who is not dedicated solely to the Property, unless such costs are equitable allocated based upon the amount of their time dedicated to the Property and only the allocated portion included in Building Expenses;
- (m) Payments for rented equipment, the cost of which would not be included as Building Expenses if the equipment were purchased;
- (n) Discounts received by Landlord;
- (o) Depreciation allowance;

- (p) Contributions to operating cost reserves;
- (q) Expenditures for travel, entertainment, or dues;
- (r) Any cost representing an amount paid to any entity related to or affiliated with Landlord (or its members, managers, partners or employees, or relatives or such parties) which is in excess of the amount which would have been paid in the absence of such relationship;
- (s) Costs and disbursements relating to or arising in any way, directly or indirectly, from the testing, handling, removal, treatment, disposal or replacement of asbestos, asbestos containing materials or other Hazardous Substances in or on Property or any buildings (unless caused solely by Tenant) other than those incurred in the ordinary course of business;
- (t) Any cost of acquiring, maintaining (other than routine cleaning), and restoring objects of art;
- (u) Charitable contributions;
- (v) Costs associated with the operation of the limited liability company, corporation, partnership or other entity which constitutes Landlord, as distinguished from costs of operation of the Property;
- (w) Landlord's general overhead and general administrative expenses;
- (x) The cost incurred in performing work or furnishing services for individual tenants which work or services is in excess of work and services available to Tenant at no extra charge;
- (y) The cost of any disputes (other than permitted property tax challenges and those which generally benefit the tenants of the Building) including legal fees, between Landlord, any employee or agency of Landlord, or any mortgagees or ground lessors of Landlord;
- (z) Any bad debt, rent loss, or reserves for bad debts or rent loss;
- (aa) Costs or other expense to Landlord in performing work expressly provided in this Lease to be borne at Landlord's expense without reimbursement from Tenant;
- (bb) Management fees, except as permitted under Section 6.3;
- (cc) Cost of the Landlord Work and Tenant Improvement Allowance;
- (dd) Capital improvements required by any law enacted prior to the Commencement Date (unless due to Tenant's unique use of the Premises. Tenant's general use of the Premises for the purposes permitted hereunder shall not be deemed unique uses);
- (ee) The costs of repairs or replacements caused by Landlord's negligence or the negligence of its agents, employees, managers or contractors; and
- (ff) Any item of Building Expenses, the collection of which, would permit Landlord to collect from Tenant more than 100% of its actual Building Expenses.

6.8 The following principles are a statement of the parties' intent regarding this Section: (a) Landlord will operate, maintain, repair, and manage the Property in a manner similar to other comparable office buildings in the area of Novi, Michigan; (b) Building Expenses must be attributable to the operation, maintenance, management, and repair of the Premises as determined under generally accepted accounting principles consistently applied; (c) Landlord shall perform its obligations in a cost-effective manner using commercially reasonable efforts to keep the increased Building Expenses from rising no faster or higher than other comparable office buildings in the area of Novi, Michigan; (d) Building Expenses must be obtained at commercially reasonable prices; (e) Building Expenses should be the types of costs that are generally incurred by other prudent building operators of comparable office buildings in the area of Novi, Michigan; (f) The Building Expenses shall be fairly and accurately calculated by Landlord (examples of fair calculations include the exclusions in the above paragraph and not charging for the same expense in two different categories, such as an in-house manager and a management fee); and (h) calculations of Building Expenses shall be made in the same manner for all tenants in the Building except to the extent an individual tenant has negotiated a different clause.

7. Use of Premises

7.1 Tenant shall use and occupy the Premises during the continuance of this Lease solely for the Designated Use set forth in Section 1.14 hereof, and for no other purpose or purposes without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Except for the certificate of occupancy for the Premises and all other permits and approvals in connection with the Landlord's Work, which shall be obtained by Landlord, if any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business or other activity carried on in the Premises, such shall be duly procured and thereafter maintained by Tenant, at its expense, and copies thereof shall be delivered to Landlord upon its request. Tenant, at Tenant's expense, shall, at all times, comply with the requirements of each such license and permit, and, subject to the other terms of this Lease, all ADA requirements imposed after the Commencement Date.

7.2 Landlord represents to Tenant that as of the date of this Lease, Landlord has no actual knowledge of the presence of any hazardous substances or materials at, on, under or migrating to or from the Property in violation of any applicable law. Tenant shall not use or permit any person to use the Premises in any manner which violates or would create liability under federal, state or local laws, ordinances, rules, regulations or policies. Tenant shall not (either with or without negligence) cause or permit the escape, disposal or release of any biologically or chemically active or other hazardous substances or materials on the Property during the Term in violation of applicable laws. Tenant shall not allow the storage or use of such substances or materials in any manner not permitted by law or by the standards prevailing in the industry for the storage and use of such substances or materials, nor allow to be brought into the Property any such materials or substances except to use in the ordinary course of Tenant's business and then, if any material health, safety or financial risk exists as a result of the use or presence of such materials or substances, only after written notice is given to Landlord of the identity of such substances or materials. As used herein, "hazardous substances and materials" shall mean any substances, compounds, mixtures, wastes or materials that are defined to be, that are regulated as, that are listed as or that (because of their toxicity, concentration or quantity) have characteristics that are hazardous or toxic under any laws, or any substances, compounds, mixtures, wastes or materials that are otherwise regulated under any of laws. Without limitation, hazardous substances and materials shall include those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq., any applicable state or local law and the regulations adopted under these acts. In addition, Tenant shall execute affidavits and the like from time to time at Landlord's request concerning Tenant's best knowledge and belief regarding the presence of hazardous substances or materials on the Premises. In all events, Tenant shall indemnify Landlord in the manner elsewhere provided in this Lease against any liability resulting from any release of hazardous or substances or materials on the Premises caused by Tenant or persons acting under Tenant while Tenant is in possession (unless caused by a neighboring property owner or trespasser without the fault of Tenant). Landlord shall indemnify, defend and hold Tenant harmless from and against any liability, damage,

action, claim, loss, fine, cost or expense resulting from the presence of or any release of hazardous substances or materials on, at, in, under or migrating to or from the Property on or before the Commencement Date and/or caused by Landlord or persons acting on Landlord's behalf. The indemnities under this Section shall survive the expiration or termination of this Lease.

7.3 Tenant will not place any load upon any floor of the Premises exceeding the floor load per square foot area which it was designed to carry and which is allowed by law. If at any time any windows of the Premises are temporarily closed, darkened or covered for any reason whatsoever, including Landlord's own acts, Landlord shall not be liable for any damage Tenant may sustain thereby, and the Landlord shall not be considered in default under this Lease and Tenant shall not be entitled to any compensation therefor nor abatement of any Base Rent or any other sums due hereunder, nor shall the same release Tenant from its obligations hereunder nor constitute an eviction, construction, actual or otherwise.

7.4 Tenant shall not do or permit to be done any act which will invalidate or be in conflict with any insurance policy carried by or for the benefit of Landlord with respect to the Property (but only to the extent that Landlord carries a commercially reasonable policy which permits the use of the Premises for the Designated Use) or which might subject Landlord to any liability, nor shall Tenant keep anything in the Premises except as permitted by the fire department or other authority having jurisdiction, and then only in such manner as not to increase the insurance rate for the Property (but only to the extent that Landlord carries a commercially reasonable policy which permits the use of the Premises for the Designated Use).

7.5 Tenant shall abide by the commercially reasonable building and parking area rules and regulations which are not inconsistent with the express terms of this Lease, and any reasonable modifications or amendments thereof imposed by Landlord to the extent they are consistent with the rules and regulations imposed by Landlord on other tenants adjoining the Property (collectively the "Rules and Regulations"). The initial set of Rules and Regulations is attached as Exhibit D. New rules shall not be imposed on less than ten (10) business days prior written notice, except in the case of any emergency. Any such new rules shall not materially decrease Tenant's rights hereunder, impose any material obligations on Tenant or impose any material additional costs on Tenant.

8. Quiet Enjoyment

8.1 Tenant's quiet enjoyment of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord, unless Tenant defaults in the performance of the covenants of this Lease after expiration of applicable grace, notice and cure periods.

9. Services

9.1 Janitorial services will be provided by Landlord five (5) days a week. These services will be contracted directly by the Landlord with a licensed and insured company, which company shall be subject to Tenant's reasonable consent and approval, and the cost thereof shall be part of Building Expenses. Tenant and Landlord will together identify a minimum list of qualified firms that are to be considered. Any janitorial contracts for the Building will contain a thirty (30) day termination clause, which upon notice from Tenant, will be exercised by Landlord. Landlord and Tenant will mutually agree on cleaning standards to be met by janitorial companies and otherwise a to be defined scope of janitorial services mutually developed by Landlord and Tenant.

9.2 Subject to reimbursement in accordance with Section 6, Landlord will provide Tenant with such services and in such manner as are typically provided by landlords of first class office buildings in the metropolitan Detroit area, including but not limited to,

- (a) trash removal,
- (b) landscaping care pursuant to a program requested by Tenant,
- (c) snow and ice removal. Landlord shall arrange for removal of snow and ice accumulation by 7:00 a.m. (other than Holidays or Sunday) in the event of

- accumulation overnight of more than one (1) inch.
- (d) exterior maintenance,
- (e) parking lot maintenance (including cleaning and re-stripping as needed)
- (f) performing the other maintenance obligations required under this Lease.
- (g) exterior windows of the Building professionally washed at least twice each calendar year
- (h) Landlord shall provide and maintain all fire suppression and other life safety systems required by law.

Notwithstanding anything herein to the contrary, the Tenant shall operate any cafeteria in the Building.

9.3. Landlord shall provide automatic elevator facilities to service the Building on a 24/7/365 basis. Elevators may be temporarily closed as necessary for repairs so long as at least one (1) elevator shall be available.

9.4 Tenant shall be permitted access to the Premises 24 hours a day, seven days a week except in the case of any emergency.

9.5 As part of the Landlord's Work the Landlord shall install and hook-up the utility services of the Premises as reflected on the Plans and Specifications. As of the Commencement Date, except as otherwise agreed to by Landlord and Tenant from time to time, Tenant shall directly contract with the applicable utility service provider for the provision of utility services to the Premises. If more than one service provider is available, Tenant may select the applicable service provider subject to Landlord's reasonable consent. Tenant shall pay to the applicable service provider all charges made against the Premises for all sewer, water, gas, electricity and other utilities and services used upon or furnished to the Premises (including electricity used or consumed for HVAC and related purposes) as and when due during the Lease Term. Tenant shall pay for the electricity at the rate established by the applicable governmental authority or the applicable utility company providing the electricity. Tenant shall also pay for fluorescent or other electric light bulbs or tubes and electric equipment used in the Premises. Tenant shall have full control over the HVAC system on a 24/7/365 basis.

9.6 Any service which Landlord is required to furnish pursuant to this Lease may, at Landlord's option, be furnished, in whole or in part, by the managing agent of the Building acceptable to Tenant or by one or more independent contractors acceptable to Tenant. Any management fee paid by Landlord to a third party manager will not be included in Building Expenses to the extent Landlord is also collecting a management fee.

9.7 Landlord shall not be liable for interruption in services caused by riots, strike, labor disputes (other than disputes between Landlord and its employees), accidents or other cause beyond the control of Landlord, or for stoppages or interruptions of any services for the purpose of making necessary repairs or improvements. Any such failure, interruption, or delay in furnishing services shall not be construed as an act of eviction against the Tenant by the Landlord nor shall such failure, interruption or delay in any way operate as a release from the prompt and punctual performance by the Tenant of the covenants of this Lease. Notwithstanding the foregoing, if Landlord negligently fails to provide any of its required services or fails to maintain and repair Property in the condition required hereunder and as a result thereof for forty-eight (48) or more consecutive hours (excluding weekends and holidays) Tenant reasonably cannot and in fact does not use all or substantially all of the Premises for the operation of its business, then during the tenancy of such stoppage or interruption, Rent shall abate on a per diem basis until such time as services are restored so that Tenant does or is reasonably able to conduct its business on the Premises.

10. Insurance

10.1 As of the Commencement Date, Tenant shall maintain in full force and effect policies of commercial general liability insurance providing coverage for the Premises, with policy limits of not less

than \$2,000,000.00 per person and \$2,000,000.00 per occurrence and general aggregate. In the event any policy or policies of insurance which Tenant is required to maintain shall be written on a "claims made" insurance form, each policy shall have a "retroactive date" which is not later than the Commencement Date. Furthermore, should insurance coverage be written on a claims made basis, Tenant's obligation to provide insurance shall be extended for an additional period equal to the statute of limitations for such claims in the State of Michigan on the Termination Date.

10.2 Tenant shall maintain in full force and effect through the Term of this Lease policies of all risk property insurance covering its personal property, fixtures and improvements to their full replacement cost, without deduction for depreciation. Such insurance shall provide the broadest coverage then available, including coverage for loss of profits or business income or reimbursement for extra expense incurred as the result of damage or destruction to all or a part of the Premises.

10.3 All insurance policies which Tenant is required to maintain shall, in addition to any of the foregoing: be written in carriers authorized to write such business in The State of Michigan and having an A.M. Best & Co. rating of no less than A- 8; name Landlord as additional insured (only on liability insurance); be endorsed to provide that they shall not be canceled for any reason except on ten (10) days prior written notice to Landlord; and provide coverage to Landlord whether or not the event or occurrence giving rise to the claim is alleged to have been caused in whole or in part by the acts or omissions or negligence of the Tenant or Landlord. Certificates of insurance evidencing the coverage and endorsements required hereby shall be delivered by Tenant to Landlord prior to the date thereof. Tenant shall deliver certificates of renewal for such policies to Landlord not less than five (5) days after the renewal thereof. Insurance provided by Tenant may be in the form of blanket insurance policies covering properties in addition to the Property or entities in addition to Tenant; provided, however, that any overall aggregate limit of liability applicable to Landlord or the Property shall be independent from any overall or annual aggregate applicable to other entities or properties.

10.4 If Tenant fails to provide any of the insurance or subsequently fails to maintain the insurance in accordance with the requirements of this Lease, and such failure continues for more than three (3) days after receipt of written notice, Landlord may, but is not required to, procure or renew such insurance to protect its own interests only, and any amounts paid by Landlord for such insurance will be Additional Rent due and payable on or before the next Rent Day. Landlord and Tenant agree that any insurance acquired by Landlord shall not cover any interest or liability of Tenant.

10.5 Landlord and Tenant each waive, and release each other from and against, all claims for recovery against the other for any loss or damage to the property of such party arising out of fire or other casualty coverable by a property insurance policy, even if such loss or damage shall be brought about by the fault or negligence of the other party. This waiver and release is effective regardless of whether the releasing party actually maintains the insurance described above in this subsection and is not limited to the amount of insurance actually carried, or to the actual proceeds received after a loss. Landlord and Tenant will require their property insurance carriers to include in their property insurance policies a clause or endorsement allowing Landlord and Tenant to release each other from any liability to each other or anyone claiming through or under them by way of subrogation or otherwise for any loss or damage to property caused by or resulting from risks insured against under property insurance for loss, damage or destruction by fire or for other casualty.

10.6 Tenant shall maintain in full force and effect policies of workers' compensation and employers liability insurance which shall provide for statutory workers' compensation benefits and employers liability limits of not less than \$1,000,000 per occurrence.

10.7 Subject to reimbursement in accordance with Section 6, Landlord agrees that it shall maintain in full force and effect (i) an ISO "Causes of Loss-Special Form" or equivalent property insurance policy in an amount equal to the full insurable replacement cost of the Building (excluding coverage of Tenant's personal property), with commercially reasonable deductibles or self-insured amounts, (ii) builder's risk insurance (on a non-reporting basis) during the construction of the Landlord's Work, (iii) workers' compensation and employers liability insurance which shall provide for statutory workers'

compensation benefits and employers liability limits of not less than \$1,000,000 per occurrence, (iv) commercial general liability insurance, including blanket contractual liability insurance with limits of not less than \$2,000,000 per occurrence and \$3,000,000 in the aggregate, and (v) such other insurance as are customarily maintained by landlords such as Landlord for projects such as the Premises in Southeast Michigan.

11. Damage by Fire or Other Casualty

11.1 In the event of damage or destruction by fire or other casualty ("Destruction") to the Premises or the Property, Landlord shall commence reasonably promptly, and with reasonably due diligence continue, to restore same to substantially the same condition as existed immediately preceding such casualty, except as otherwise provided in this Section 11.1. Such work shall be based upon the Plans and Specifications for the Building, but Landlord shall have the right to make changes required by law.

11.2 If, as a result of any Destruction, (i) a mutually approved contractor or architect determines (which determination shall be made within 10 days after the casualty) that more than 50% of the Building must be shut-down for restoration and that such shut-down will continue more than 270 days from the date of the Destruction, or (ii) any material damage or destruction occurs to the Premises (i.e. damage that will take more than 120 days to repair and impacts more than 50% of the Building) during the last twelve (12) months of the then current Term (including any exercised Option Term), then Landlord and Tenant shall each have the right, but not the obligation, to terminate this Lease by the delivery of written notice thereof to the other, such notice to be given within thirty (30) days after the date of the Destruction. Further, if any lender holding an interest in the Property shall not make the insurance proceeds available to Landlord for restoration of the Property, then Tenant shall have the right to terminate this Lease unless within 30 days after the casualty the Landlord is able to verify that it has an alternative source of funds to restore the Property. Upon the fifteenth (15th) day after any such termination notice is given, Tenant shall vacate and surrender the Premises to Landlord, without prejudice, however, to Landlord's rights and remedies against Tenant under the Lease prior to termination and any Rent owing shall be paid. In addition, if upon the expiration of the two hundred seventy (270) day period Landlord's restoration of the Premises is not complete other than as a result of a Tenant Delay or Force Majeure, then Tenant shall have another right to terminate this Lease by the delivery of written notice of Tenant's intent to terminate to Landlord, such notice to be given within ten (10) days after the expiration of the two hundred seventy (270) day period. If Tenant so notifies Landlord and Landlord fails to complete the restoration within sixty (60) days after the receipt of Tenant's notice other than as a result of a Tenant Delay or Force Majeure, then upon the expiration of the sixty (60) day period, this Lease shall terminate and Tenant shall vacate and surrender the Premises to Landlord, without prejudice, however, to Landlord's rights and remedies against Tenant under the Lease prior to termination and any Rent owing shall be paid.

11.3 Tenant shall endeavor to give immediate notice to Landlord of fire or other casualty at the Premises. If Landlord repairs or restores the Premises, Tenant shall promptly repair or replace all leasehold improvements made by Tenant in a manner and to a condition equal to that existing prior to the occurrence of the damage or casualty.

11.4 If the fire, casualty, repairing or rebuilding of the Premises shall render all or a portion of the Premises untenantable, a proportionate reduction of the Annual Base Rent and all other charges, due thereafter shall be abated from the date of the occurrence of such casualty until the date Landlord completes the repairs to the Premises or, in the event Landlord or Tenant elects to terminate this Lease, until the date of termination. Such reduction shall be computed on the basis of the ratio which the floor area of the Premises rendered untenantable bears to the Rentable Floor Area of Premises. Landlord shall not be liable for any delay in the repair or restoration of the Property which is not reasonably within its control.

11.5 Landlord and Tenant shall look to any insurance in its favor, including that which the party is required to carry by this Lease, for recovery for loss or damage resulting from fire or other casualty.

11.6 Tenant acknowledges that Landlord will not carry insurance on Tenant's personal property, fixtures, and improvements, and agrees that Landlord will not be obligated to repair any damage or replace the same.

12. Repairs/Alterations

12.1 Subject to reimbursement in accordance with and to the extent set forth in Section 6, Landlord will keep and maintain the Premises and every part thereof including, but not limited to, the roof, exterior and interior walls, the building slab and foundation, the parking areas, the heating, air conditioning and utility systems, HVAC, life safety, and other building systems, and landscaped areas in compliance with all applicable laws and in good condition consistent with other similar quality buildings in Novi, Michigan and the surrounding areas. Tenant shall bear the expense of maintaining the Premises in a clean and safe condition in accordance with all federal, state and local laws, ordinances and regulations, and the directions of any health officer, fire marshal, building inspector, or other governmental agency having jurisdiction over the Premises; however, Landlord shall be responsible for janitorial work, warranty work with respect to the Landlord's Work and such other work necessary to cause the Premises to comply with such laws, ordinances and regulations. Tenant shall promptly notify Landlord of the need for such work. Landlord shall promptly commence and complete such work Landlord represents to Tenant that it has not received any written notice of any outstanding violation any applicable law with respect to the Property.

12.2 Subject to the waiver of liability in Section 10.5, Landlord, at Tenant's expense, will repair all damage to the Property caused by the moving of Tenant's fixtures or personal property, or through the negligence acts or omissions of Tenant, its employees, agents, contractors, licensees or invitees. The Building and Landlord's Work will be compliant with the Americans with Disabilities Act of 1990 and its state and local counterparts or equivalents ADA and Title 24 (the "**Disabilities Act**") at the time of the certificate of occupancy. Thereafter, as between Landlord and Tenant, (a) Tenant shall be responsible for the expense of any alterations, changes or improvements to the Premises which may be necessary in order for the Premises and Tenant's use thereof to be in compliance with Disabilities Act during the term of this Lease and Landlord shall be responsible for any alterations, changes or improvements to cause the Premises to be in compliance with Disabilities Act prior to the Commencement Date.

12.3 Except as otherwise provided herein, Tenant shall not make any renovations, alterations, or improvements to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed. If Landlord fails to approve or reject a request from Tenant within 15 days after receipt of such request, then such request shall be deemed approved. Notwithstanding anything to the contrary contained herein, Tenant may make non-structural alterations, additions or improvements to the interior of the Building (collectively, the "**Permitted Alterations**") without Landlord's consent, provided that: (i) the aggregate cost of all such Permitted Alterations during any twelve (12) consecutive month period does not exceed Thirty Five Thousand Dollars (\$35,000.00); and (ii) such Permitted Alterations do not affect any Building systems, cannot be seen from outside the Building and does not affect the structure of the Building, including foundations, pile caps, floor slabs, exterior walls, interior load bearing walls, columns, beams, struts, ties, plates, joists, trusses, and items of similar character. Other than the Permitted Alterations which may be constructed by Tenant, all renovations, alterations and improvements shall be done by Landlord, on behalf of Tenant, and all plans and specifications shall be approved by Landlord prior to commencement of any work, which approval shall not be unreasonably withheld, conditioned or delayed and Tenant shall pay Landlord for all Construction Costs for such renovations, alterations or improvements. With respect to any contract for such work let by Landlord, Landlord shall obtain three bids for such work from contractors acceptable to Tenant and approved by Landlord, and, absent extenuating circumstances, shall award such contract to the lowest bidder. In performing such renovation, alteration or improvements, Landlord shall not receive any fee for such work. Landlord's approval of the plans, specifications and working drawings for Tenant's alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with laws, rules and regulations of governmental agencies or authorities, including but not limited to the with the ADA. Notwithstanding anything herein to the contrary, Tenant shall not be required

at any time to remove from the Premises or restore any alterations, additions or improvements unless Landlord at the time it gives consent (if required) expressly requires in writing removal or restoration of such alterations, additions or improvements.

12.4 To the extent not installed by Landlord as part of the Landlord's Work, Tenant may, with Landlord's consent which shall not be unreasonable withheld conditioned or delayed, install a security system at the Building at its sole cost and expense (which system shall remain Tenant's property but may be left in place at the expiration or termination of this Lease). Tenant shall promptly deliver duplicate and building security cards for the Premises to Landlord so that Landlord always has access to the Premises.

12.5 Tenant shall have the right to cause Landlord to install a generator (which shall be maintained by Tenant at its sole cost and expense) at a location on the Premises as reasonably determined by the Landlord. All plans and specifications for the generator shall be approved by Landlord prior to commencement of any work, which approval shall not be unreasonably withheld, conditioned or delayed and Tenant shall pay Landlord for all Construction Costs for the installation of the generator. The generator shall remain Tenant's personal property. Prior to the expiration or termination of this Lease, the generator shall be removed by Tenant at Tenant's expense and the location of the generator shall be restored by the Tenant to the original condition.

12.6 Tenant, at its expense, upon Landlord's approval of such plan, specifications and screening, which approval shall not be unreasonably withheld, conditioned or delayed, may cause to be installed satellite dish(s), microwave dish(s), solar panels on the roof of the Building provided that the Tenant maintains and replaces, as necessary, such items at its sole cost and expense, and, notwithstanding any other provision of this Lease, Tenant shall be responsible for, and shall immediately pay, the cost of any roof repairs associated with such installation. Any such items installed by Tenant shall remain Tenant's personal property, but Tenant may elect to leave such items in place upon the expiration or termination of this Lease.

12.7 Landlord agrees that Tenant shall have the right (without requiring Landlord consent, except as provided at the end of this sentence) to install or to require Landlord to install at Tenant expense, its furniture, cubicles, partitions, artwork, work-out equipment, vending machines, kitchen equipment, computers, security systems, phone systems, cabling, racking, lab equipment, testing equipment, machinery, compressors, additional HVAC capacity, and other trade fixtures and personal property ("Tenant's Property"), provided that Tenant's installation (a) complies with all applicable laws, and (b) Landlord's express written consent is obtained for any installation that in any way effects the structural integrity or systems of the Building. The Tenant's Property shall remain the property of Tenant. Except as otherwise permitted herein, Tenant shall remove the Tenant's Property from the Premises on or before the expiration or termination of this Lease.

12.8 All renovations, alterations, or improvements made by Tenant or on behalf of Tenant upon the Premises including the installation of signage pursuant to the provisions Section 25 of this Lease, except for Tenant's Property, shall be and shall remain the property of Landlord, and shall be surrendered with the Premises at the termination of this Lease, without molestation or injury. Provided, however, at the time it gives consent (if required) Landlord may expressly designate by written notice to Tenant the alterations, improvements and fixtures made by or for Tenant, which shall be removed by Tenant at the expiration or termination of the Lease and Tenant shall promptly remove the same and repair any damage to the Premises caused by such removal.

12.9 There shall be no reduction in Rent nor there be any liability on the part of Landlord by reason of inconvenience, annoyance or injury to business arising from Landlord, Tenant, or others making any repairs, alterations, or improvements to any portion of the Property, so long as Landlord uses reasonable efforts not to interfere with Tenant's business operations.

12.10 Tenant shall keep the Premises free of liens for work claimed to have been done for, or materials furnished to, Tenant and will hold Landlord harmless from any liens which may be placed on the

Premises due to the acts of Tenant. In the event a construction or other lien shall be filed against the Property or Tenant's interest as a result of any work undertaken by Tenant, or as a result of any repairs or alterations made by Tenant, or any other act of Tenant, Tenant shall, within fifteen (15) days after receiving notice of the lien, discharge the lien either by payment or by bonding over. In the event Tenant shall fail to discharge such lien, Landlord shall have the right, but not the obligation, to procure such discharge, and Tenant shall pay the cost of procuring such discharge to Landlord as Additional Rent upon the next Rent Day.

13. Eminent Domain

13.1 If twenty (20%) percent or more of the leasable floor area of the Building is condemned or taken or twenty (20%) percent or more of the parking areas is condemned or taken and Landlord does not provide a reasonable alternative parking plan, in any manner, including without limitation any conveyance in lieu of condemnation, for any public or quasi public use ("Taken"), then Landlord and Tenant shall each shall have the right, but not the obligation, to terminate this Lease by the delivery of written notice thereof to the other within thirty days after written notice of such taking is delivered to Landlord and Tenant by the condemning authority. If Landlord or Tenant so elect to terminate this Lease, the Term of this Lease shall cease and terminate as of the date title is vested in the condemning authority.

13.2 The whole of any award or compensation for any portion of the Premises Taken, including the value of Tenant's leasehold interest under the Lease, shall be solely the property of Landlord. Tenant is not precluded from seeking, at its own expense, an award from the condemning authority for loss of the value of any trade fixtures or other personal property in the Premises, moving expenses, business interruption and other awards available at law provided that the award for such claim or claims shall not diminish the award made to Landlord.

13.3 In the event the Premises or any portion thereof are Taken, Tenant shall have no claim against Landlord for the value of any unexpired Term of this Lease or otherwise. In the event of a partial taking of the Premises which does not result in a termination of this Lease, the Annual Base Rent thereafter shall be partially reduced. The reduction shall be computed on the basis of the ratio which the floor area of that portion of the Premises Taken bears to the rentable floor area of Premises.

14. Assignment or Subletting

14.1 Tenant shall have the right to sublet or assign this Lease to its parent entity or to a wholly or majority-owned subsidiaries or other entity wholly or majority-owned by Tenant or by Tenant's parent entity (each an "**Affiliate**") provided the use of the Premises after such subletting or assignment is the same or similar to its then current use and provided the Guarantor acknowledges in writing to Landlord that the Guaranty is and remains in full force and effect after such subletting or assignment (as described, an "**Affiliate Subletting/Assignment**"). Tenant shall give Landlord ten (10) days subsequent written notice of any Affiliate Subletting/Assignment together with copies of all documents reasonably requested by Landlord in connection therewith. However, an Affiliate Subletting/Assignment shall not require the consent of Landlord. Except for an Affiliate Subletting/Assignment and a Permitted Transfer (as defined below), Tenant shall not assign this Lease or sublet the Premises without: (i) the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned, and (ii) the prior written consent of any mortgagee of the Property to the extent expressly required by any loan documents related to any mortgage recorded against the Property. Any other attempted assignment or subletting without consent shall be invalid. In the event of any permitted assignment or subletting, Tenant shall remain fully responsible and liable for payment of Rent and performance of all of Tenant's other covenants under this Lease. Except for an Affiliate Subletting/Assignment and a Permitted Transfer, no assignment shall be permitted or be binding upon Landlord unless the assignee or subtenant shall deliver to Landlord an instrument reasonably acceptable to Landlord (in recordable form, if requested) containing, among other things, an agreement of assumption of all of Tenant's obligations under this Lease accruing thereafter. Except for an Affiliate Subletting/Assignment and a Permitted Transfer, Tenant agrees to pay all reasonable costs and expenses incurred by Landlord in connection with

Landlord's review of any proposed assignment or subletting, and Landlord may require that Tenant deliver a deposit with Landlord prior to Landlord's review of the proposed assignment or subletting. Upon the occurrence of an event of default, if all or any part of the Premises are then assigned or sublet, Landlord, in addition to any other remedies shall have the right, but not the obligation, to collect directly from the assignee or subtenant all Rent becoming due to Landlord. Any collection by Landlord from the assignee or subtenant shall not be construed as a waiver or release of Tenant from the further performance of the covenants of this Lease or the making of a new lease with such assignee or subtenant.

14.2 Landlord may, in its reasonable discretion, refuse to give its consent to any proposed assignment or subletting (other than an Affiliate Subletting/Assignment or Permitted Transfer) for any reasonable reason, including, but not limited to, the financial condition, creditworthiness or business reputation of the proposed assignee or subtenant, and the proposed use of the Premises by, or business of, the proposed assignee or subtenant.

14.3 The term "assign," as used herein, shall include (1) any merger, consolidation, voluntary and involuntary transfer by operation of law or otherwise, (2) sale, transfer or creation of stock by which an aggregate of more than fifty (50%) percent of Tenant's stock shall be vested in a party or parties who are not stockholders as of the Lease Date, other than transfer of stock on a public stock exchange.

14.4 If Tenant shall sublet all or a portion of the Premises or assign this Lease and the sublet or assignment does not constitute an Affiliate Subletting/Assignment or Permitted Transfer, then one-half (1/2) of the net excess of all sums of money or other economic consideration received by Tenant or its affiliates as a result of such subletting or assignment, whether denominated as rent or otherwise, which exceed in the aggregate the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to that portion of the Premises subject to such sublease) and the reasonable out-of-pocket expenses paid by Tenant in connection with such subletting or assignment (i.e. leasing commissions, attorneys' fees and the amortized cost of any tenant improvement allowance) shall be payable to Landlord as additional rent under this Lease without effecting or reducing any other obligation of Tenant hereunder.

14.5 Notwithstanding anything herein to the contrary, Landlord's consent shall not be required, and Tenant shall be permitted to undertake, any of the following events (each a "**Permitted Transfer**"): (i) merger or consolidation of Tenant into another entity, (ii) the assignment of this Lease or sublet of all or any part of the Premises to an entity other than an Affiliate which purchases substantially all of the interests in or assets of Tenant or the operating division, group, or department of Tenant then utilizing the Premises, (iii) the transfer of a majority or controlling interest in Tenant to a person or entity other than an Affiliate, or (iv) the assignment of this Lease or sublet of all or any part of the Premises to an entity or entities not Affiliates of Tenant and created by the division of Tenant into one or more separate corporations, partnerships, or other entities; provided that (w) Tenant provides Landlord notice of the Transfer at least 15 days prior to the effective date, together with current financial statements of the assignee (in the event of an assignment); (x) in the event of an assignment or change in the Tenant, the transferee or the surviving or successor entity will have a Net Worth (i.e. total assets total assets minus total liabilities) \$250,000,000.00, and Tenant shall have provided Landlord reasonable documentation confirming same; (y) the use of the Premises after such subletting or assignment is the same or similar to its then current use; and (z) provided the Guarantor acknowledges in writing to Landlord that the Guaranty is and remains in full force and effect after such subletting or assignment. In the event of the Permitted Transfer involving a sublease, Landlord will reasonably cooperate with Tenant as to any alterations to the Premises desired to be made by Tenant in connection with such sublease, so long as Tenant pays for the cost of such alterations.

15. **Inspection of Premises**

15.1 Upon reasonable prior 24 hour written notice, Tenant shall permit Landlord, its representatives and agents to enter the Premises during normal business hours for the purpose of

inspecting the Premises. Landlord may show the Premises to prospective purchasers, mortgagees and (during the final year of the term) tenants during normal business hours and may display about the Premises (in locations reasonably acceptable to Tenant) signs advertising the availability of the Premises. Landlord shall use commercially reasonable efforts not interfere with or disrupt the normal operation of Tenant's business. Landlord shall use commercially reasonable efforts to comply and to cause all visitors to comply with all of Tenant's security and safety regulations. If Landlord intends to bring to the Premises a business competitor to Tenant, then such third party shall execute a confidentiality agreement in form and substance satisfactory to Tenant prior to access.

16. **Notice**

16.1 All bills, notices, statements, communications, or demands (collectively the "**Notices**") required under this Lease must be in writing. Any Notices from Landlord to Tenant will be deemed to have been duly and sufficiently given on the date delivered if a copy has been personally delivered, or one (1) business day after they have been sent via overnight courier service to Tenant at the address of the Premises, attention Legal Department, with a copy to General Counsel, Harman International Industries, Incorporated, 400 Atlantic Street, Suite 1500, Stamford, Connecticut 06901 or at such other address as Tenant may designate in writing. Any Notice from Tenant to Landlord will be deemed to have been duly and sufficiently given if delivered to Landlord in the same manner as provided above at the Landlord's Office or at such other address as Landlord may designate in writing.

17. **Breach, Re-Entry, Termination**

17.1 Each of the following shall be deemed an event of default: (i) Tenant's failure to make payment of Rent when due as provided in this Lease and the continuation of such failure for more than ten (10) days after Tenant's receipt of written notice from Landlord; or (ii) Tenant's failure to perform any of the covenants of this Lease to be performed by Tenant and the continuation of such failure for a period of 30 days after Landlord's delivery to Tenant of written notice of such default to Tenant (provided, however, that if the failure cannot, by its nature, reasonably be cured within such 30 day period, but Tenant commences and diligently pursues a cure of such failure promptly within the initial 30 day cure period, then a default shall not exist and Landlord shall not exercise its remedies hereunder so long as Tenant is diligently pursuing a cure of the failure); or (iii) if Tenant shall petition for relief under the bankruptcy laws, or shall make an assignment for the benefit of creditors, or if a receiver for any substantial portion of property of the Tenant be appointed in any action, suit or proceeding by or against Tenant, or if Tenant shall admit to any creditor or to Landlord that it is insolvent, or if the interest of Tenant in the Premises shall be sold under execution or other legal process, or if Tenant shall abandon the Premises and cease paying Base Rent, Additional Rent or otherwise performing its obligations under this Lease.

17.2 Upon the occurrence and continuation of an event of default, Landlord shall have the right to terminate the Lease and shall be entitled to possession of the Premises. Landlord shall make its election to terminate known to Tenant by delivery of a written notice of termination. Such termination shall be immediately effective and Landlord shall be entitled to forthwith commence an action in summary proceedings to recover possession of the Premises. In the event Landlord has sent three (3) or more notices of default to Tenant within any twelve (12) consecutive calendar months for the same event, Landlord shall have no further obligation to give Tenant written notice of any further default for such event or to grant Tenant any opportunity to cure the same, except as otherwise provided by law. Except as set forth in this Section or as required by law, Tenant waives all notice in connection with such termination, including by way of illustration but not limitation notice of intent to terminate, demand for possession or payment, and notice of re-entry.

17.3 No receipt of money by the Landlord from the Tenant after the termination of this Lease shall reinstate, continue or extend the term, nor affect or waive any notice given by the Landlord to the Tenant prior to such receipt of money.

17.4 Should Landlord at any time terminate this Lease due to a Tenant event of default, in addition to any other remedies it may have, Landlord may recover from Tenant: (a) all Rent due as of the date of termination, (b) out-of-pocket costs Landlord may incur by reason of any default, including the cost of recovering the Premises, reasonable attorneys' fees, and (c) damages equal to the excess of lost Rent that would have been paid hereunder after the date of termination (assuming a lease-up period of 6 months) over the fair market rental value of the Premises for the same period of time, discounted to the date of the default at the rate of six (6%) percent per annum, all of which amounts shall be immediately due and payable from Tenant to Landlord. All rent due on or before the default, and all rent discounted as set forth above, shall bear interest from the date of default until paid in full in accordance with Section 17.14 hereof.

17.5 If the event of default is for the nonpayment of Rent, Landlord may, as an alternative to terminating the Lease, serve a written demand for possession or payment. Unless paid in accordance with the demand for possession or payment, Landlord shall be entitled to possession of the Premises and Tenant shall have no further right to possession under the Lease. In such event, Tenant shall remain liable to Landlord for the payment of all Rent and other charges which Tenant has agreed to pay under this Lease throughout the remainder of its Term as they become due. Should Landlord elect to re-enter, as herein provided, it may from time to time, without terminating this Lease, make such reasonable alterations and repairs as may be necessary in order to relet the Premises, and relet said Premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable. Upon each such reletting all rentals and other sums received by Landlord from such reletting shall be applied, first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such reletting, including reasonable brokerage fees and reasonable attorneys' fees and of costs of such alterations and repairs; third, to the payment of Rent and other charges due from Tenant, and the residue, if any, shall be held by Landlord and applied in payment of future Rent as the same may become due and payable. If such rentals and other sums received from such reletting during any month be insufficient to pay the Rent and other charges due from Tenant, Tenant shall pay such deficiency to Landlord. Such deficiency shall be calculated and paid monthly. No such re-entry by Landlord shall be construed as an election on its part to terminate this Lease. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach. Tenant waives any further right to possession following a judgment for possession in favor of Landlord and expiration of any applicable statutory redemption period.

17.6 Except as otherwise expressly set forth in this Lease, the Landlord's and Tenant's rights, remedies and benefits provided by this Lease shall be cumulative, and shall not be exclusive of any other rights, remedies and benefits allowed by law, except as otherwise provided in Section 17.4.

17.7 The parties agree that they shall rely solely upon the terms of this Lease to govern their relationship. They further agree that reliance upon any representation, act or omission outside the terms of this Lease shall be deemed unreasonable, and shall not establish any rights or obligations on the part of either party.

17.8 One or more waivers of any covenant of the Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant and the consent or approval by either party to or of any act by the other party requiring first party's consent or approval shall not be deemed a waiver of first party's consent or approval to or of any subsequent similar act by the other. No breach of a covenant of this Lease shall be deemed to have been waived by Landlord or Tenant, unless such waiver (i) is in writing signed by the party to be charged; (ii) identifies the breach, and (iii) expressly states that it is a waiver of the identified breach.

17.9 No payment by Tenant or receipt by Landlord of a lesser amount than the full amount of the Rent then due shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent

be deemed an accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to recover the balance of the amount due or pursue any other remedy.

17.10 Notwithstanding anything to the contrary, Tenant acknowledges and agrees that its obligation to pay Rent under this Lease is an independent covenant, and that such obligation to pay is not subject to setoff or recoupment in connection with any action for summary proceedings to recover possession of the Premises.

17.11 Landlord and Tenant hereby waive trial by jury in connection with any action for summary proceedings to recover possession of the Premises. Further, Landlord and Tenant waive trial by jury in connection with any action arising out of or relating to the covenants of this Lease, with the exception of actions for personal injury or property damage.

17.12 In the event that Landlord or Tenant is required to bring an action arising out of the covenants of this Lease, or in the event Landlord undertakes an action for summary proceedings to recover possession of the Premises, the non-prevailing party agrees to pay the prevailing party such reasonable costs and attorneys' fees as the prevailing party may incur in connection with such action.

17.13 Tenant shall not be entitled to surrender the Premises to avoid liability for Rent due to the condition of the Premises or Property, nor shall any purported consensual surrender be effective unless expressly agreed to in a writing signed by the Landlord.

17.14 Any Rent payable by Tenant to Landlord under this Lease not received when due and the continuation of such failure for more than ten (10) days after receipt of written notice from Landlord shall bear interest at a per annum rate equal to twelve (12%) percent or, if lower, the highest rate permitted by law. Such interest will be due and payable as Additional Rent within ten (10) days after demand, and will accrue from the date that such rent or other sums are payable under the provisions of this Lease until actually paid by Tenant.

17.15 (a) Landlord agrees that if Landlord defaults in the performance of or in any covenant or agreement in this Lease contained on the part of Landlord to be performed, and if Landlord has not cured such default within thirty (30) days after notice from Tenant (or if such default is incapable of being cured in a reasonable manner within thirty (30) days, then if Landlord has not commenced to cure the same within such thirty (30) day period and thereafter diligently prosecutes the same to completion) then and in any such event or events Tenant shall have the right, in addition and without prejudice to any and all other rights and remedies available to Tenant under this Lease, at law, or in equity, to exercise itself Self Help Remedy under Section 2 of this Lease, and the right, without limitation, for the payment of any reasonable attorneys' fees, costs, and charges in connection with any legal action which may have been brought, and Landlord agrees to pay Tenant promptly the amount so paid by Tenant. Any such sum payable by Landlord to Tenant under this Lease not received within ten (10) days after the same is due will bear interest at a per annum rate equal to twelve (12%) percent or, if lower, the highest rate permitted by law. Such interest will be due and payable within ten (10) days after demand, and will accrue from the date that such sums are payable under the provisions of this Lease until actually paid by Landlord. Tenant shall not have the right to offset any amount claimed due by Landlord hereunder against the Rent and other sums due hereunder, except as set forth in Section 24.2 below. In the event of any default or claimed default by Landlord hereunder, either Landlord or Tenant may demand arbitration in accordance with this Section 17.15.

(b) Whenever a dispute arises between Landlord and Tenant with respect to the matters set forth in this Section 17.15, the resolution of such dispute may be determined by arbitration and the party desiring arbitration of the issue in question shall give notice to that effect to the other party ("Notice of Arbitration"). The party seeking arbitration shall promptly request (no later than five (5) Business Days from the date of the Notice of Arbitration) from the American Arbitration Association ("AAA") a list of five (5) neutral arbitrators chosen by the AAA from the AAA's national list, and shall instruct the AAA that each such arbitrator shall be a competent person who, to the extent that the matters in question reasonably would require expertise in a given field or area, has ten (10) years or more experience in southeast

Michigan in a calling connected with the subject matter of the arbitration. Within five (5) business days of its receipt of the list of arbitrators from the AAA accompanied by the name and address of the party at the AAA charged with assigning the arbitration, Landlord and Tenant shall each have the opportunity to object to a maximum of two (2) arbitrators on such list, and shall do so, if at all, by providing the AAA with a copy of the list, with such objectionable names stricken, within such 5 business day period. The party which provided the Notice of Arbitration shall instruct the AAA that on the expiration of such five (5) business day period, the AAA shall appoint an arbitrator from those arbitrators remaining on such list and to notify Landlord and Tenant of the arbitrator so selected within two (2) business days after the expiration of such five (5) business day period. The arbitrator so selected by the AAA shall be authorized to make a final, binding and conclusive determination of the issues in question.

(ii) Landlord and Tenant hereby agree that any matter submitted to arbitration hereunder shall be administered by the AAA under its Arbitration Rules for the Real Estate Industry, Expedited Procedures, except as expressly modified below.

(iii) The arbitrator shall hold one hearing on the question(s), matter(s) or dispute(s) which are the subject of the arbitration and shall furnish Landlord and Tenant with the opportunity to be present and fully heard by counsel or otherwise and to cross-examine, subject to the following limitations. The hearing shall be completed within one (1) day, unless good cause can be shown to schedule an additional day, in which event, the additional day for a hearing must occur within seven (7) days of the date of the original hearing. Each party shall have the right to present no more than two (2) witnesses providing expert testimony (no such limitation shall apply to witnesses regarding factual matters) for each subject at issue in the arbitration. The hearing must be held within thirty (30) days of the Notice of Arbitration, and any necessary discovery must be completed five (5) days prior to such hearing. The determination by the arbitrator of such question, matter or dispute shall be made in writing and signed by the arbitrator, within five (5) business days after the last hearing and a signed copy thereof shall be delivered to each of the parties involved. The determination so made by such arbitrator shall be final, binding and conclusive on all parties. If the party against whom the decision is made does not act in conformity with such decision within five (5) Business Days after such party has received a copy of the arbitrator's decision, judgment may be rendered thereon by any court having jurisdiction, upon application of either Landlord or Tenant. Each party shall pay one half of the fees and expenses of the arbitrator, and the party against whom the decision is rendered as determined by the arbitrator shall pay the attorney's fees and other arbitration costs of the prevailing party, but only if such prevailing party is the only party receiving a favorable decision in the arbitration.

(iv) In determining any question(s), matter(s) or dispute(s), the arbitrator shall apply in full the pertinent provisions of this Lease and shall not have the power to add to, modify or change any of such provisions. The foregoing shall not, however, prevent the arbitrator from determining the applicable provision of this Lease and interpreting and construing such provisions. The arbitrator shall not be authorized to award punitive or exemplary damages.

(v) The provisions of this Section shall not preclude any party from applying for temporary injunctive relief such as a temporary restraining order pending the results of such arbitration.

18. Surrender of Premises on Termination

18.1 At the expiration (or earlier termination) of the term hereof, Tenant will surrender the Premises broom clean and in the condition and repair required to be maintained by Tenant hereunder, reasonable wear and tear, damage by a casualty and Landlord obligations excepted, and promptly upon surrender will deliver all keys and building security cards for the Premises to Landlord at the place then fixed for the payment of rent. All costs and expenses incurred by Landlord in connection with repairing or restoring the Premises to the condition required herein to be maintained by Tenant and not done before surrender, together with the costs, if any, of removing Tenant's Restoration Items (as defined below) from the Premises not removed by Tenant by the expiration date, together with liquidated damages in an amount equal to the amount of minimum net rental plus all other charges which would have been payable

by Tenant under this Lease if the term of this Lease had been extended for the period of time reasonably required for Landlord to repair or restore the Premises to the condition called for herein, shall be invoiced to Tenant and shall be payable as additional rental within ten (10) days after receipt of invoice. Further, all additions or improvements installed by the Tenant upon the Premises, and all signs, trade fixtures, additions, improvements, changes or modifications to the Base Building whether constructed or installed by the Landlord at Tenant's request or the Tenant and designated in accordance with Section 12 by the Landlord to be removed at the time Landlord's consent thereto was issued (collectively the "**Tenant's Restoration Items**") shall at the option of the Landlord by notice to Tenant at least 90 days prior to the end of this Lease be removed and/or restored, as the case may be, by Tenant upon the expiration of the Term, as extended, or the earlier termination of this Lease, and Tenant shall restore and repair any damage to the Premises caused by such removal or restoration so as to render the Premises in good tenantable condition, broom clean with reasonable dispatch. In the event that Tenant fails to thus restore the Premises as above provided, Landlord shall have the right to restore the Premises and shall be reimbursed for any reasonable costs or expenses under the facts and circumstances incurred as a result thereof in accordance with the provisions of this Section.

19. Performance by Landlord of the Covenants of Tenant

19.1 If Tenant fails to pay any money or to perform any covenant required by this Lease after written notice and failure to cure after the applicable cure period, Landlord shall have the right, but not the obligation, to make such payment or perform such act. All sums so paid or incurred by Landlord and all incidental costs, including without limitation the cost of repair, maintenance or restoration of the Premises then in default, shall be deemed Additional Rent and shall be due and payable on the next Rent Day.

20. Subordination; Estoppel Certificates

20.1 Subject to Tenant's receipt of a customary form of subordination, non-disturbance and attornment agreement ("**SNDA**"), This Lease is subject and subordinate to the lien of any mortgage or mortgages, and all renewals, modifications, consolidations, replacements and extensions of any mortgage or mortgages, now or hereafter placed upon Landlord's interest in the Property. Tenant shall execute and deliver, within twenty (20) days after requested, an SNDA confirming subordination and providing for the non-disturbance of Tenant, as requested by Landlord.

20.2 In the event of subordination of this Lease, Landlord shall condition the subordination upon the customary agreement of the mortgagee or lessor that in the event of foreclosure or the assertion of any other rights under the mortgage or lease, this Lease and the rights of Tenant hereunder shall continue in effect, the party acquiring the Property shall honor and be bound by this Lease and this Lease shall not be terminated or disturbed so long as Tenant continues to perform and is not in default under this Lease. Notwithstanding anything herein to the contrary, Landlord shall use commercially reasonable efforts to cause any SNDA to be executed by Tenant to require any mortgagee or successor to honor Tenant's Self Help Right and off set rights set forth herein. Landlord agrees to obtain a subordination, non-disturbance and attornment agreement consistent with the terms of this Section 20 and specifically recognizing Tenant's self-help rights during construction from Landlord's existing lender within thirty (30) days after the execution and delivery of this Lease.

20.3 If any proceedings are brought for foreclosure, or in the event of the conveyance by deed in lieu of foreclosure, or in the event of the exercise of the power of sale, Tenant hereby attorns to, and shall execute any instrument in writing reasonably satisfactory to the new owner, attorning to such successor in interest and recognizing such successor as the Landlord under this Lease.

20.4 Tenant, within twenty (20) days after request by Landlord, will execute and deliver to Landlord, an estoppel certificate, in form reasonably acceptable to Landlord and Tenant, certifying: (i) the Commencement Date and Termination Date; (ii) that this Lease is unmodified and in full force and effect, or is in full force and effect as modified, stating the modifications; (iii) that to the best of the knowledge of Tenant's manager of the Premises, the Landlord is not in default, or listing any such defaults and that Tenant does not claim any rights of setoff, or listing such rights of setoff; (iv) the amount of Rent due as of

the date of the certificate, the date to which the Rent has been paid in advance, and the amount of any Security Deposit or prepaid Rent; and (v) to such other factual matters as may be reasonably requested by Landlord. Any such certificate may be relied on by any prospective purchaser, mortgagee or future lessor of the Property.

20.5 Tenant agrees to give any mortgagee(s), by first class mail or overnight courier service, a copy of any such notice of default served upon the Landlord, provided that prior to such notice, Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Leases, or otherwise), of the address of such mortgagee(s), Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagee(s) shall have an additional sixty (60) days within which to cure such default.

21. **Holding Over**

21.1 If Tenant remains in possession of the Premises after the Termination Date with or without the consent of Landlord, it will be deemed to be occupying the Premises as a tenant from month to month, subject to all the covenants of this Lease to the extent that they can be applied to a month to month tenancy, except that the Monthly Installment of Base Rent for each month will be the regular Monthly Installment of Rent payable for the last month of the Term of this Lease for the first thirty (30) days and one hundred fifty (150%) percent of the Holdover Base (as defined below) for each day thereafter if Landlord has not executed a lease or letter of intent for the Premises with a tenant other than Tenant, and will be two hundred (200%) percent of the Holdover Base if Landlord has executed a lease or letter of intent for the Premises with a tenant other than Tenant. The Holdover Base shall be greater of: (a) the regular Monthly Installment of Base Rent payable for the last month of the Term of this Lease; or (b) the then prevailing market rates of rent for the Project determined by Landlord in its sole and absolute discretion. These covenants shall not preclude Landlord from recovering damages as a result of Tenant's failure to timely deliver possession of the Premises for thirty (30) days after the Termination Date, nor establish any right or option of extension or renewal on behalf of Tenant.

22. **Security Deposit**

22.1 Intentionally omitted.

23. **Indemnification**

23.1 Subject to the waiver of liability in Section 10.5, Tenant shall, at its expense, indemnify and defend Landlord, its employees, members, managers, partners, shareholders and managers (collectively "**Landlord's Employees**"), from any loss, damage, claim, liability or expense, (including attorneys' fees) of any kind, type or description, including without limitation, claims for bodily injury, disease, death, property damage to the extent arising directly or indirectly out of or in connection with (a) the use or misuse of the Premises by Tenant or any other person during the Term of the Lease, and/or (b) the acts or omissions of Tenant, its agents, employees, licensees, invitees or contractors during the Term of the Lease, except to the extent in either situation (i) such loss, damage, claim, liability or expense is covered by insurance carried by Landlord pursuant to this Lease, or (ii) such loss, damage, claim, liability or expense arises from any acts or omissions of Landlord, the Landlord's Employees or the Landlord's agents, contractors, representatives or invitees.

23.2 Notwithstanding the provisions of Section 23.1 of the Lease, Tenant shall not be required to indemnify and hold Landlord harmless from any loss, cost, liability, damage and expense (including but not limited to penalties, fines and attorneys' fees and costs) to any person or property resulting from the negligent acts or omissions or the willful misconduct of Landlord or Landlord's Employees, and Landlord hereby indemnifies, defends and saves Tenant harmless from any such loss, costs, liability, damage and expense (including but not limited to penalties, fines and actual attorneys' fees and costs) in connection with or arising out of such acts or omissions of Landlord, Landlord's Employees,. Further Tenant's agreement to indemnify and hold Landlord harmless pursuant to Section 23.1 of the Lease and the exclusion from Tenant's indemnity and the agreement by Landlord to indemnify and hold Tenant

harmless pursuant to this Section 23.2 are not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried by Landlord or Tenant, respectively, pursuant to the provisions of this Lease. If either party breaches this Lease by its failure to carry required insurance, such failure shall automatically be deemed to be the covenant and agreement by Landlord or Tenant, respectively, to self-insure such required coverage, with full waiver of subrogation.

24. Definition of Landlord; Landlord's Liability

24.1 The term "Landlord" as used in this Lease is limited to mean and include only the owner or owners of the Premises at the time in question, and in the event of any sale or transfer of Landlord's interests in the Property, the Landlord herein named (and in case of any subsequent transfers or conveyances the then grantor) will automatically be released of all liability for the performance of any covenants contained in this Lease accruing after the date of transfer (provided same are assumed in writing by the transferee).

24.2 If Landlord fails to perform any covenant of this Lease, and as a consequence of such default Tenant recovers a money judgment against Landlord or an arbitration award pursuant to Section 17.15 above, such judgment or award may be satisfied only out of the proceeds of sale received upon execution of such judgment or receipt of such award and levied against the interest of Landlord in the Property or out of the unpaid rents or undistributed rents or undistributed sales proceeds from the Property, insurance or condemnation proceeds and Landlord shall not be liable, personally or otherwise, for any deficiency. If, however, Tenant is not able to recover the full amount of such judgment or award within sixty (60) days of the date of such judgment or award is final and not appealable, Tenant shall be entitled to offset any such unrecovered judgment or award against installments of Rent thereafter becoming due.

24.3 Landlord shall not be liable to Tenant for any acts or omissions of persons occupying the Building, nor for any damage to property entrusted to employees of the Building, nor resulting from any accident or occurrence in the parking area, nor for loss or damage to any property by theft or otherwise, nor for any injury or damage to persons or property resulting from any cause of whatsoever nature.

25. Signs

25.1 Subject to the approval of the City of Novi, Landlord shall design and construct an exterior building sign on the Building as depicted on Exhibit C which shall be maintained, repaired and removed by Landlord but at Tenant's sole cost and expense. In no event shall individual letters or signs consisting of individual letters without a unified backing be allowed on the Building unless specifically approved in writing by Landlord, in its sole discretion. Signage shall, at Tenant's request, also be provided at the main lobby entrance and can include directional parking signage. The cost of the design, construction and manufacture of all signs shall be part of the Tenant Improvements and subject to the Tenant Improvements Allowance and shall be part of the Project Costs. Tenant shall have the exclusive right to have signs on the Building so long as Tenant leases 100% of the Building and if Tenant fails to occupy at least 100% of the Building then two (2) of Tenant's current signs may remain on the Building and one other sign may be placed on the Building by Landlord for the benefit of another tenant. Except for the exterior sign as depicted on Exhibit C, no signs, lighting, lettering, pictures, notices, advertisements which can be seen from the exterior of the Building will be displayed, used or installed by Tenant except as approved in writing by Landlord, which approval shall not be unreasonably withheld. All such materials displayed in and about the exterior of Premises will be such only as to advertise the business carried on upon the Premises and Landlord will control the location, character and size thereof. Tenant shall not cause or permit to be caused any advertising materials or methods which are reasonably objectionable to Landlord or to other tenants of the Building, including without limiting the generality of the foregoing: loudspeakers, mechanical or moving display devices, unusually bright or flashing lights and similar devices the effect of which may be seen or heard from outside the Premises.

26. General

26.1 The Lease can be modified or amended only by a written agreement signed by the Landlord and Tenant.

26.2 Time is of the essence in this Lease with respect to the performance of all covenants...

26.3 There are no representations with respect to the condition of the Property, rents, leases, Building Expenses, Real Estate Taxes or any other matter related to the Premises except as expressly set forth in this Lease, and no rights, easements or licenses are acquired by Tenant by implication or otherwise.

26.4 All questions with respect to the construction of this Lease shall be determined in accord with the laws of the State of Michigan. Except for the terms otherwise defined herein, the language in all parts of this Lease shall be construed, in all cases, according to its plain meaning. The parties acknowledge that each party and its counsel have reviewed this Lease, and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party, shall not be employed in the interpretation of this Lease or any document executed in connection herewith. The division of this Lease into articles, sections, subsections, rider and exhibits is for the convenience of reference only and shall not affect the interpretation or construction of this Lease.

26.5 Reference in this Lease to persons, entities and items have been generalized. Therefore, reference to a single person, entity or item will also mean more than one person, entity or thing whenever such usage is appropriate (for example, "Tenant" may include, if appropriate, a group of persons acting as a single entity, or as tenants in common). Similarly, pronouns of any gender should be considered interchangeable with pronouns of other genders.

26.6 This Lease shall be binding on successors and assigns.

26.7 Tenant, and each person executing this Lease on behalf of Tenant, hereby warrant and represent to Landlord that Tenant is validly organized and existing and authorized to do business under the laws of the State of Michigan, that the Tenant has full power and lawful authority to enter into this Lease, and that the execution of this Lease by such individual is legally binding upon the Tenant in accordance with its terms. Landlord, and each person executing this Lease on behalf of Landlord, hereby warrant and represent to Tenant that Landlord is validly organized and existing and authorized to do business under the laws of the State of Michigan, that Landlord has full power and lawful authority to enter into this Lease, and that the execution of this Lease by such individual is legally binding on the Landlord in accordance with its terms. At any time reasonably requested by Landlord, Tenant shall promptly furnish Landlord (and in any event within fifteen (15) days after Landlord's request) Tenant's most recent financial statements, if any. Prior to receipt of such statements, upon the request to Tenant the Landlord shall execute a confidentiality agreement in form and substance reasonably acceptable to Tenant. Notwithstanding the foregoing, so long as Tenant is a member of the Guarantors affiliated group and Guarantor is a publicly held reporting company, delivery of Guarantor's current Annual Report (10k) shall satisfy Tenant's financial reporting obligations hereunder.

26.8 If any covenant of this Lease shall be invalid, illegal or unenforceable, such covenant shall be enforced to the fullest extent permitted by applicable law, and the validity, legality and enforceability of the remaining covenants shall not in any way be affected or impaired.

26.9 If the time for performance of any act or occurrence of any event falls on a day which is not a business day, then the date for such performance or occurrence shall be postponed to the next business day. For purposes of this Lease, "business day" shall mean any day which is not a Saturday or Sunday or a day on which United States federal courts are not open for business.

26.10 Except for Savills-Studley (the "Broker") whose commission shall be paid by Landlord pursuant to the terms of a separate agreement (a copy of which has been provided by Landlord to Tenant), Landlord represents and warrants to Tenant, that there are no claims for brokerage commissions or finder's fees in connection with this Lease as a result of the contracts, contacts or actions of Landlord

and Landlord agrees to indemnify Tenant and hold it harmless from all liabilities arising from an alleged agreement or act by Landlord (including, without limitation, the cost of counsel fees in connection therewith; such agreement to survive the termination of this Lease. Tenant represents and warrants to Landlord that, except for the commission due to the Broker, there are no claims for brokerage commissions or finder's fees in connection with this Lease as a result of the contracts, contacts or actions of Tenant, and Tenant agrees to indemnify Landlord and hold it harmless from all liabilities arising from any such claim arising from an alleged agreement or act by Tenant (including, without limitation, the cost of counsel fees in connection therewith); such agreement to survive the termination of this Lease.

26.11 The obligations of Tenant under this Lease have been guaranteed by the Guarantor named in Section 1.16 hereof in accordance with the terms of the Guaranty set forth below. Any default by Guarantor under the Guaranty shall constitute a default under this Lease.

26.12 At any time when eighteen (18) or more months remain in the Term (including any exercised Option Term), if Landlord desire to offer the Property for sale, Landlord shall first offer the Property to Tenant (the "**First Offer Right**") by the delivery of written notice thereof to Tenant (the "**First Offer Notice**"). If Tenant delivers written notice to Landlord of Tenant's desire to purchase the Property within seventy-two (72) hours after the receipt of the First Offer Notice, then Landlord shall not enter into a purchase agreement with any third party for the Property for a period of fifteen (15) days while Landlord and Tenant attempt to negotiate a purchase agreement for the Property. If Landlord and Tenant do not execute a written purchase agreement within such fifteen (15) day period, or if Tenant declines the offer or fails to notify Landlord within the seventy-two (72) hour period as provided herein, Landlord shall thereafter be free to sell the Property at any time and on whatever terms Landlord may decide in its sole discretion. Tenant shall not have any Right of First Offer with respect to any foreclosure or deed in lieu of foreclosure. In addition Tenant shall not have any First Offer Right and Landlord shall not be required to send a First Offer Notice unless: (a) Tenant originally named herein (or an affiliate pursuant to an Affiliate Subletting/Assignment as defined in Section 14.1 or an assignee pursuant to a Permitted Transfer) is the Tenant, (b) Tenant (or an affiliate pursuant to an Affiliate Subletting/Assignment as defined in Section 14.1 or an assignee pursuant to a Permitted Transfer) actually occupies a majority of the Premises, and (c) no uncured event of default of the Tenant's obligations hereunder (after written notice of default and beyond the applicable cure period) shall be outstanding on the date of the giving of the notice of exercise described above.

26.13 Landlord and Tenant acknowledge that Tenant may desire to expand the Building and/or parking lots, including building such expansion on the Expansion Land. The "**Expansion Land**" shall mean the smaller wetland area at the southwest corner of the site as identified on Exhibit A-1 and land adjacent and contiguous to the Land which is owned by Landlord and described on attached Exhibit G. At any time when three (3) or more years remain in the Term (including any exercised Option Term), then within ten (10) days (i) after receipt of a request for a proposal from Tenant or (ii) before Landlord intends to send out a proposal or offer sell or lease any portion of the Expansion Land, or (iii) receipt from any third party to buy or lease any part of the Expansion Land which Landlord desires to pursue, Landlord shall offer Tenant the right to expand the Premises by the inclusion of the Expansion Land (the "**Expansion Right**") by the delivery of written notice thereof (the "**Expansion Offer Notice**") to Tenant which identifies the Expansion Land (the "**Available Expansion Land**"). If Tenant delivers written notice to Landlord of Tenant's desire to lease the Available Expansion Property within seventy-two (72) hours after the receipt of the Expansion Offer Notice, then Landlord shall not enter into a purchase agreement or lease with any third party for the Offered Expansion Property for a period of fifteen (15) days while Landlord and Tenant attempt to negotiate an amendment to this Lease for the lease of the Available Expansion Land and the improvements to be constructed thereon. If Landlord and Tenant do not execute a written amendment to this Lease within such fifteen (15) day period, or if Tenant declines the offer or fails to notify Landlord within the seventy-two (72) hour period as provided herein, Landlord shall thereafter be free to purchase, sell or lease the Expansion Property at any time and on whatever terms Landlord may decide in its sole discretion. Tenant shall not have any Expansion Right with respect to any foreclosure or deed in lieu of foreclosure. In addition, Tenant shall not have any Expansion Right and Landlord shall not be required to send an Expansion Offer notice unless: (a) Tenant originally named herein (or an affiliate pursuant to an Affiliate Subletting/Assignment as defined in Section 14.1 or an

assignee pursuant to a Permitted Transfer) is the Tenant, (b) Tenant (or an affiliate pursuant to an Affiliate Subletting/Assignment as defined in Section 14.1 or an assignee pursuant to a Permitted Transfer) actually occupies a majority of the Premises, and (c) no uncured event of default of the Tenant's obligations hereunder (after written notice of default and beyond the applicable cure period) shall be outstanding on the date of the giving of the notice of exercise described above.

26.14 Landlord represents and warrants to Tenant that (i) the Premises are subject only to the covenants, encumbrances, conditions, restrictions, private agreements, reciprocal easement agreements or any other exceptions to title as set forth on attached Exhibit H (the "Encumbrances"); (ii) the Premises will be on the Commencement Date, in compliance with all laws (including, but not limited to, the ADA), title Encumbrances and fire underwriter's requirements; (iii) Landlord has or will obtain all approves required by the Encumbrances for the construction of the Landlord's Work and Tenant's use of the Premises for the Designated Uses; (iv) the Property is zoned for construction of the Building and Tenant's Designated Uses and there will be on the Commencement Date a valid certificate of occupancy or similar permit in place which permits Tenant's use of the Premises for the Designated Uses; (v) the Landlord is not in default under any mortgage filed against the Premises; (vi) there are no outstanding delinquent Real Estate Taxes for the Premises; (vii) the Premises is not subject to any pending litigation or government investigation; and (viii) the Premises are not leased and are not subject to any rights of first refusal, rights of first offer, options or other preferential rights to lease, occupy, license or purchase.

26.15 Landlord, at Tenant's expense, shall cooperate in good faith with Tenant's efforts to secure tax (real or personal) incentives, abatements, reductions, concessions or similar economic development incentives or carbon/greenhouse gas credits relating to the Premises (whether issued in the name of Tenant or Landlord) available by law, all of which shall belong solely to Tenant. If any such incentives, credits or other items are issued in Landlord's name, Landlord shall pass through one hundred percent of such items to Tenant (if not directly transferable to Tenant, then Tenant shall be entitled to a credit against Base Rent and Additional Rent due hereunder from Tenant) and Tenant shall be responsible for compliance with any requirements imposed in connection therewith.

26.16 Landlord acknowledges that Tenant may periodically grant lenders or third parties a lien on Tenant's Property. Landlord shall not have, and hereby waives, any security interest or lien (express, implied, statutory or otherwise other than a judgment lien) on Tenant's Property. Within ten (10) business days following Tenant's request, Landlord shall execute documents in reasonable form to evidence Landlord's waiver of any right, title, lien, or interest in Tenant's Property. Any lender or third party having a lien on Tenant's Property shall be entitled to written notice from Landlord of a default hereunder (to the extent the name and address has been provided to Landlord) and a reasonable period of time (at least 60 days) after termination of this Lease or Tenant's rights of possession to retrieve Tenant's Property before the same are deemed abandoned (including the right to hold an auction or UCC sale at the Premises without having to pay Landlord rent), and Landlord agrees to execute such customary agreements as requested by Tenant's lenders which are reasonably acceptable to Tenant in order to reflect such rights and such other terms as reasonably requested by such lender.

26.17 Tenant shall not record or file this Lease in the public records of any county or state. Provided, however, each party has the right to prepare and record a memorandum of the Lease (and the other party agrees to execute such memorandum). On and after the Termination Date Tenant shall execute and deliver a document discharging the memorandum of the Lease and if Tenant fail to do so Landlord shall have the right to execute such document in the name and stead of Tenant as its attorney in fact.

26.18 Upon the expiration or other termination of this Lease, neither party shall have any further obligation nor liability to the other except as otherwise expressly provided in this Lease and except for such obligations as, by their nature or under the circumstances, can only be, or by the provisions of this Lease, may be performed after such expiration or other termination.

26.19 With respect to any obligations of Tenant or Landlord to comply with applicable laws, the other party may, at its expense, contest the validity or applicability of any such law by appropriate

proceedings prosecuted diligently and in good faith, and may defer compliance therewith, provided that (i) other party is not thereby subjected to criminal prosecution or criminal or civil penalty of any nature or a breach of any loan documents secured by a mortgage on the Premises, (ii) no unsafe or hazardous condition remains unremedied, and (iii) the Premises, or any part thereof, shall not be subject to being condemned or vacated by reason of such non-compliance or such contest. Landlord and Tenant each agrees to execute any document reasonably required by the other in order to permit Landlord or Tenant effectively to carry on any such contest, provided the other party is not thereby subjected to any cost or expense or exposed to any liability or obligation on account thereof and provided the documents are reasonably acceptable to the other party.

26.20 To the extent require in connection with any financial reporting obligations, Landlord and Tenant shall reasonably cooperate with the other in determining the value of the Property, the Premises and/or Landlord's or Tenant's interest.

26.21 This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. A copy of a signature received through telefax transmission or other electronic means (including files in Adobe .pdf or similar format) shall bind the party whose signature is so received, and shall be considered for all purposes, as if such signature were an original.

[Signatures begin on next page]

WHEREAS, Landlord and Tenant have executed this Lease effective as of the Lease Date.

LANDLORD:

HCP/HBAS Building LLC, a Michigan limited liability company

By: _____

Its: _____

TENANT:

Harman Becker Automotive Systems, Inc., a Delaware corporation

By: _____

Its: _____

[Guaranty begins on next page]

GUARANTY

In consideration of Landlord's agreement to the terms and conditions contained in the foregoing Lease, and in order to induce Landlord to execute and deliver such Lease to Tenant, **Harman International Industries, Incorporated** (the "Guarantor") does hereby unconditionally guaranty performance by Tenant of all of its obligations under the Lease and payment of rent and all other sums which may be due Landlord pursuant to the terms of the Lease (the "Obligations"). The Guarantor further promises to pay all of Landlord's reasonable costs and expenses, including attorney fees, incurred in enforcing the covenants and agreements of Tenant under the Lease or in enforcing this Guaranty, as well as all damages Landlord may suffer and be entitled to under the terms of the Lease as a result of any default or breach under the Lease or this Guaranty as set forth in such documents. A separate action or actions may be brought and prosecuted against Guarantor, whether or not action is brought against Tenant or whether Tenant is joined in any such action or actions. At Landlord's option, Guarantor may be joined under this Guaranty in any action or proceeding commenced by Landlord against Tenant, and Guarantor hereby waives any demand by Landlord and/or prior action by Landlord of any nature whatsoever against Tenant. Guarantor hereby consents to all forbearance, indulgences and extensions of time on the part of Landlord afforded to Tenant and the waiver from time to time by Landlord of any right or remedy on its part as against Tenant under the Lease and the Guarantor hereby agrees that no such act or omission on the part of the Landlord shall affect or modify the obligation and liability of Guarantor hereunder. This Guaranty shall remain and continue in full force and effect, notwithstanding (i) any alteration of the Lease, (ii) any renewal or extension of the Lease pursuant to any option in the Lease, (iii) any renewal or extension of the Lease by mutual agreement between Landlord and Tenant (iv) modification or amendment of the Lease or (v) any assignment or subletting of Tenant's interest in the Lease, unless the assignment approved by Landlord under the Lease expressly states that approval of the assignment will constitute a release of the Guarantor. Guarantor hereby waives notice of any of the foregoing and agrees that the liability of Guarantor hereunder shall be based upon the obligations set forth in the Lease as the same be altered, renewed, extended, modified, amended or assigned. Guarantor further waives all notice of the acceptance of this Guaranty and notice of breach, default or non-performance by Tenant under the Lease of its obligations under the Lease.

The liability of Guarantor shall not be affected nor impaired by any voluntary or involuntary dissolution, sale or other disposition of all or substantially all of the collateral or assets of Tenant, receivership, insolvency proceeding, bankruptcy, assignment for the benefit of creditors, reorganization proceeding, arrangement, composition or readjustment of, or other similar event or proceeding affecting Tenant or any of its assets and that upon the institution of any of the above actions, at Landlord's sole discretion and without notice thereof or demand therefor, Guarantor's obligations hereunder shall become due and payable and enforceable against Guarantor, whether or not the Obligations are then due and payable.

No act or thing, except for payment in full, which but for this provision might or could in law or in equity act as a release of the liabilities of Guarantor, shall in any way affect or impair this Guaranty. This shall be a continuing, absolute and unconditional Guaranty, and Guarantor's liability on this Guaranty shall be immediate. Landlord may have immediate recourse against Guarantor for full and immediate payment and performance of the Obligations, or any part thereof, at any time after the Obligations have not been paid or performed when due (whether by acceleration or otherwise). Notwithstanding anything herein to the contrary, the Guarantor may assert any defense against the Obligations or assert any counterclaim against the Landlord that Tenant may assert, so long as Tenant is either (i) a party to the related action or (ii) is otherwise available to participate in the adjudication or resolution of any such defense or counterclaim.

This Guaranty shall remain in full force and effect until the Obligations have been paid in full.

Until such time as Landlord has been paid in full, Guarantor agrees to subordinate to Landlord any claim or other right which Guarantor may now have or may hereafter acquire against Tenant or any other person that is primarily or contingently liable on the obligations that arise from the existence or performance of Guarantor's obligations under this Guaranty (i.e. the payment or performance of the Obligations by Guarantor), including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, indemnification, any right to participate in any claim or remedy of Landlord against Tenant or any collateral security therefor, which Landlord now has or hereafter acquires, whether or not such claim, remedy or right

arises in equity, or under contract, statute or common law. If any amount shall be paid to Guarantor contrary to the terms of this section, such amount shall be held by Guarantor in trust for Landlord and shall, forthwith upon receipt by Guarantor, be turned over to Landlord in the exact form received by Guarantor (duly endorsed by Guarantor to Landlord, if required), to be applied against the Obligations, whether matured or unmatured, in such order as Landlord may determine.

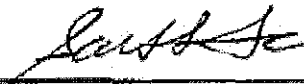
This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of all or any part of the Obligations is rescinded or must otherwise be returned by Landlord upon the insolvency, bankruptcy, reorganization, liquidation or dissolution of Tenant or otherwise, all as if such payment had not been made. Guarantor hereby indemnifies and holds Landlord harmless from and against all cost and expenses incurred by Landlord, including reasonable attorneys' fees, in connection with the defense of a bankruptcy preference action, fraudulent conveyance action, lien avoidance action, or other action relating to Landlord's right to retain amounts previously paid to Landlord in respect of the Obligations, and for all costs and expenses incurred by Landlord relating to the Obligations.

Guarantor submits and consents to personal jurisdiction in the State of Michigan for the enforcement of this Guaranty and waives any and all personal rights under the laws of any state or the United States of America to object to jurisdiction in the State of Michigan for the purposes of litigation to enforce this Guaranty. Litigation may be commenced either in a court of general jurisdiction in the State of Michigan or any United States District Court located in the State of Michigan, at the election of Landlord. Nothing contained herein shall prevent Landlord from bringing any action or exercising any rights against any security given to Landlord by Guarantor, or against Guarantor personally, or against any property of Guarantor, within any other state. Commencement of any such action or proceeding in any other state shall not constitute a waiver of the agreement as to the laws of the state which shall govern the rights and obligations of Guarantor and Landlord hereunder or of the submission made by Guarantor to personal jurisdiction within the State of Michigan.

At any time reasonably requested by Landlord, Guarantor shall promptly furnish Landlord (and in any event within fifteen (15) days after Landlord's request) if most recent financial statements, if any, reflecting Guarantor's then current financial condition. Prior to receipt of such statements, upon the request to Tenant the Landlord shall execute a confidentiality agreement in form and substance reasonably acceptable to Guarantor. Notwithstanding the foregoing, so long as Guarantor is a publicly held reporting company, delivery of Guarantor's current Annual Report (10k) shall satisfy its financial reporting obligations hereunder.

GUARANTOR

Harman International Industries, Incorporated, a Delaware corporation

By: 

Its: FVP, Co - President Lifestyle & Entertainment

Index of Exhibits

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Exhibit A-2	Annual Base Rent
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EXHIBIT A-1

SITE PLAN

EXHIBIT A-2
ANNUAL BASE RENT

	Monthly Installment of Base Rent	Annual Base Rent
Lease Year 1	\$ 271,195	\$ 3,254,342
Lease Year 2	\$ 279,030	\$ 3,348,363
Lease Year 3	\$ 286,865	\$ 3,442,384
Lease Year 4	\$ 294,700	\$ 3,536,405
Lease Year 5	\$ 302,535	\$ 3,630,426
Lease Year 6	\$ 310,371	\$ 3,724,447
Lease Year 7	\$ 318,206	\$ 3,818,468
Lease Year 8	\$ 326,041	\$ 3,912,489
Lease Year 9	\$ 333,876	\$ 4,006,510
Lease Year 10	\$ 341,711	\$ 4,100,531
Lease Year 11	\$ 349,546	\$ 4,194,552
Lease Year 12	\$ 357,381	\$ 4,288,573
Lease Year 13	\$ 365,216	\$ 4,382,594
Lease Year 14	\$ 373,051	\$ 4,476,615
Lease Year 15	\$ 380,886	\$ 4,570,636
<u>Option Terms</u>		
1st Option Term Lease Year 1	\$ 326,041	\$ 3,912,489
1st Option Term Lease Year 2	\$ 333,876	\$ 4,006,510
1st Option Term Lease Year 3	\$ 341,711	\$ 4,100,531
1st Option Term Lease Year 4	\$ 349,546	\$ 4,194,552
1st Option Term Lease Year 5	\$ 357,381	\$ 4,288,573
1st Option Term Lease Year 6	\$ 365,216	\$ 4,382,594
1st Option Term Lease Year 7	\$ 373,051	\$ 4,476,615
1st Option Term Lease Year 8	\$	\$

		380,886	4,570,636
1st Option Term Lease Year 9		\$ 388,721	\$ 4,664,657
1st Option Term Lease Year 10		\$ 396,556	\$ 4,758,678
2nd Option Term Lease Year 1		\$ 380,886	\$ 4,570,636
2nd Option Term Lease Year 2		\$ 388,721	\$ 4,664,657
2nd Option Term Lease Year 3		\$ 396,556	\$ 4,758,678
2nd Option Term Lease Year 4		\$ 404,392	\$ 4,852,699
2nd Option Term Lease Year 5		\$ 412,227	\$ 4,946,720
2nd Option Term Lease Year 6		\$ 420,062	\$ 5,040,741
2nd Option Term Lease Year 7		\$ 427,897	\$ 5,134,762
2nd Option Term Lease Year 8		\$ 435,732	\$ 5,228,783
2nd Option Term Lease Year 9		\$ 443,567	\$ 5,322,804
2nd Option Term Lease Year 10		\$ 451,402	\$ 5,416,825

Notwithstanding the foregoing in the event actual Project Costs (as defined below), are less than the total Project Costs (\$33,039,000.00) set forth on Exhibit A-3 (the "Base Project Costs"), then the Base Rent for the first Lease Year shall be reduced by the sum which is equal to 9.85% the amount by which the Base Project Costs exceed the final and actual total Project Costs. Landlord acknowledges that if the actual Project Costs exceed \$33,039,000, there shall be no increase in the Annual Base Rent beyond the amounts described in this Exhibit A-2. As used herein, "**Project Costs**" shall be all costs described on Exhibit A-3. If the Annual Base Rent for the first Lease Year is reduced in accordance with the Exhibit A-2, the Annual Base Rent for the remainder of the Term as set forth on this Exhibit A-2 shall be recalculated based upon a \$.50 per rentable square foot increase for each year after the first Lease Year. Monthly Installments of Base Rent shall be recalculated so that they are 1/12th of the Annual Base Rent.

Landlord shall submit an estimate of any decrease to the Annual Base Rent to Tenant no later than thirty (30) days prior to the date Landlord anticipates completing construction of the Premises, and on the Commencement Date Tenant shall pay an Monthly Installments of Annual Base Rent based on the estimate until the final Annual Base Rent is determined in accordance with this Exhibit, after which Landlord and Tenant shall, if necessary, make appropriate retroactive adjustment of the interim rent. Within ninety (90) days following the Commencement Date, Landlord shall submit a final calculation of any decrease in Annual Base Rent based on the final bills for the design, financing and construction of the Premises to Tenant for Tenant's approval, which approval shall not be unreasonably withheld. If Tenant shall fail to supply such approval or comments in writing within ten (10) days after receipt thereof, Tenant shall be deemed to have approved the reduction in Annual Base Rent and Monthly Base Rent shall thereafter be adjusted accordingly. Landlord and Tenant shall reasonably cooperate with each other in determining the amount of Annual Base Rent. Tenant shall execute, upon Landlord's written request, a letter or amendment to this Lease prepared by Landlord setting forth the amount of Annual Base Rent, the Commencement Date and the Expiration Date.

EXHIBIT A-3
PROJECT COSTS

HB	Bid Code		
Square Footage	1		188,000
The following is based on estimates by		Climp	
ITEM		Cost	Cost per Square Foot
Land (acres)	16.50	\$ 6,110,000.00	\$ 32.50
Land Cost Per Square Foot:		\$ 8.50	
Building Hard Costs			
NEG Estimate for Shell/Core		\$ 13,861,240	\$ 73.73
Site fencing and guard shack allowance		\$ 150,000	\$ 0.80
High transmission rate power feed		\$ 150,000	\$ 0.80
Total Shell		\$ 14,161,240	\$ 75.33
Tenant Improvement Allowance		\$ 5,264,000	\$ 28.00
Subtotal: Shell and TI		\$ 19,425,240	\$ 103.33
Contractor Hard Costs		\$ 19,425,000	\$ 103.33
Winter Condition Contingency	0.00%	\$ 250,000	\$ 1.33
Permits and Fees - Shell	\$ 2.75	\$ 517,000	\$ 2.75
Other Municipal Fees - Shell	\$ 1.00	\$ 188,000	\$ 1.00
Edison charges, Fire Alarm, mailboxes, signage	\$ 0.25	\$ 47,000	\$ 0.25
Other Hard Costs/Extraordinary Costs/Signage Allowance	\$ 0.50	\$ 94,000	\$ 0.50
Developer/Contractor Hard Cost Contingency		\$ 122,000	\$ 0.65
Other Hard Costs		\$ 1,218,000	\$ 6.48
Total Hard Costs		\$ 20,643,000	\$ 109.80
Soft Costs			
Architectural and Engineering- Shell		\$ 328,000	\$ 1.74
Legal Fees (incl. leasing), Survey, Title, Builder's Risk		\$ 94,000	\$ 0.50
Leasing Commissions (\$11 psf less \$250,000 discount)		\$ 1,818,000	\$ 9.67
Construction and Permanent Loan Points		\$ 405,000	\$ 2.15
Taxes, Utilities and Miscellaneous during construction		\$ 94,000	\$ 0.50
Other Carrying Costs		\$ 804,000	\$ 4.28
Developer Soft Cost Contingency	1.50%	\$ 42,000	\$ 0.22
Developer Overhead (6% less \$250,000 discount)	6.00%	\$ 1,635,000	\$ 8.70
Total Soft Costs		5,220,000	\$ 27.77
Land + Hard Costs + Soft Costs (Before Int Reserve)		31,973,000	\$ 170.07
Interest reserve			
Total Interest Reserve		1,066,000	\$ 5.67
Total Development Costs:			
(Land + Hard Costs + Soft Costs + Interest Reserve)		33,039,000	\$ 175.74
Estimated Base Rent	9.850%		\$ 17.31

EXHIBIT B-1
BASE BUILDING SPECIFICATIONS

**Harman Build to Suit
188,042 sq. ft. - Novi, Michigan
Summary of Site, Shell and Core Specifications
July 9, 2014**

A. Project Description

1. This specification is intended to further describe the project depicted on Color Scheme, dated March 17, 2014 and prepared by Faudie Architecture Project Number 12055 and SP-1 , dated March 13, 2014 by Professional Engineering Associated Project Number PR13-347.

2. The size of the three-story planned facility is as follows:

First Floor Office/Lab	63,164 sf
Second Floor Office	61,714 sf
Third Floor Office	63,164 sf
<i>Total Building Area</i>	<u>188,042 sf</u>

3. The facility will be located on an approximately 16.50 acre site in Novi, Michigan.

4. The site will accommodate parking for approximately 940 cars, including unimproved land for approximately 100 future parking spaces for potential future expansion.

5. The high bay portions of the facility will be serviced by nine (9) grade level doors and two (2) dock doors.

B. Site

1. Earthwork

a) The site will be prepared for construction by removing all vegetation, trees and shrubs located within the limits of construction. Silt fence and barricades will be installed to protect areas outside the proposed limits of construction. Debris that is generated by the clearing operation will be properly disposed of offsite.



- b) The site will be mass graded by utilizing onsite materials to balance the site. Fine grading will be completed as necessary to achieve the elevations determined by the Civil Engineer for the building pad, parking lots, sidewalks, required landscape, roadways, street connections, and landscape areas.
- c) Excess topsoil will be stockpiled on undeveloped portions of the Owners property and will be utilized for landscaping purposes.
- d) all parking lot lighting and code required site signage

2. Storm Sewer

- a) Storm water from impervious areas will be directed into underground storm sewers that lead into the parks master detention pond.
- b) The roof area will drain into interior roof sumps that will be tied directly into the underground storm water collection system.

3. Sanitary Sewer

- a) A sanitary lead will be extended into the building from the existing municipal sanitary main located within the Right of Way.

4. Watermain

- a) A 4" domestic water service will be installed to meet the needs of the interior plumbing requirements. An 8" fire protection service, , will be installed to meet the needs of the fire protection system. Water will be supplied to the facility by extending an 8" water main from the existing municipal water main located within the Right of Way.
- b) It is assumed that the municipal water system flow and pressure is adequate to service the domestic and fire protection needs of the facility.
- c) Site fire line with hydrants as designed by the engineer and as required by code

5. Gas/Electric/Telephone

- a) It is assumed that all natural gas, electrical and telephone



services are of sufficient capacity and available at the property line.

- b) Natural gas service will be extended from the existing public gas utility system to the building.
- c) Two (2) empty conduits for electrical service will be extended from the existing public electric utility system to the building. One (1) conduit will be used by the utility for installation of their service line. The other conduit will be reserved as a spare.
- d) One (1) empty conduit, for telephone service will be extended from the existing public telephone utility system to the building for installation of their service line. An 8" x 8" in-grade junction box will be installed at the R.O.W.

6. Exterior Concrete

- a) All concrete work is to be completed in accordance with the applicable standards of the American Concrete Institute (ACI).
- b) All exterior concrete shall have a compressive strength of 3,000 PSI at 28 days placed on a compacted base. Exterior concrete will receive a broom finish. Expansion joints and control joints will be provided as required.
- c) Sidewalks will be installed to facilitate pedestrian circulation and will be 5' wide and 4" thick.
- d) Truck well slabs will be paved with 8" thick concrete on a compacted base.
- e) A dumpster pad will be provided with a 6" slab and trench-type foundation.
- f) Concrete curbs will be provided in all areas where paving abuts landscaped areas.

7. Asphalt

- a) Paving in all automobile drives and parking areas will consist of a 1½" thick asphalt binder course and a 1½" thick asphalt wearing surface on an 8" thick compacted limestone base.



- b) Paving in truck traffic areas will consist of a 2½" thick asphalt binder course and a 1½" thick wearing surface on a 10" thick compacted limestone base.

8. Landscaping

- a) An allowance is included to design and install a landscape and irrigation system to meet the requirements of the municipality. See Summary of Allowances. Landscaping will generally include the following:
- underground irrigation sprinkler system as required and designed by landscape architect.
 - Topsoil placement
 - Fine grading
 - Installation of all plantings, trees, sod and hydro seed
- b) An allowance of 3600 face feet has been provided for retaining walls. Material shall be an engineered or simulated stone material.

C. Concrete

1. Foundations will be designed to bear on soils having a bearing capacity of 3000 Pounds per SF at 42" below finished grade.
2. Foundations will be constructed per geotechnical and structural engineers recommendation and is assumed at a compressive strength of 3000 PSI at 28 days. Slabs will be constructed with concrete having a compressive strength of 4000 PSI at 28 days or as specified by structural engineer.
3. Formed retaining walls will be provided as necessary at the truck wells.
4. The Office Area floor slab on grade will be 4" thick, and reinforced with one (1) layer of 6" x 6", No. 10 wire mesh.
5. The second and third floor Office Area floor slab will be 5" thick and reinforced with one (1) layer of 6" x 6", No. 10 wire mesh and will be placed on a metal form deck supported by composite beam framing.
6. The Pilot Production Area floor slab on a compacted grade will be 6" thick and reinforced with one (1) layer of 6" x 6", No. 6 wire mesh or fiber mesh.



7. All concrete slabs will receive a steel-troweled finish and one (1) application of a dissipating curing compound similar or equal to Kure-N-Seal, as manufactured by Euchlid Chemical Comp. and have no more than ¼" deflection over 10' span (leveling standard for slab on grade conditions). Saw cuts and expansion joints will be provided as recommended by ACI Standards.

D. Structural

1. The facility will be designed in accordance with the Manual of Steel Construction of the American Institute of Steel Construction specifications for structural steel buildings. Joists and joist girders will be designed in accordance with the requirements of the Steel Joist Institute. The structural steel system will be designed for a minimum floor loading capacity of 80 pounds per square foot plus a 20 pound per square foot live load for partition and furniture load. 100 psf combined live and dead loads.
2. The structural framing system will consist of steel columns; composite beam joists and joist girders for the support of a 1½" deep wide rib 22-gauge metal roof deck. The buildings structure shall be delivered per the approved plans and any diagonal X bracing, if used, shall not be placed in the perimeter of the building, excepting stair towers, without Tenants approval. The roof framing will be open web joists. The joists and joist girders will bear on steel beams and columns.
3. Structural steel tubes and angles will be provided to support prefabricated exterior wall panel system.
4. Office Area interior bay spacing will be approximately 30' x 30'.
5. The first floor will have an interior clear height of fourteen feet (14') to the underside of low beam/structure. This will yield and approximate floor to floor height if 17'-0"
6. The floors two and three floor to floor height shall be approximately 15'-0"
7. Exposed structural steel will remain factory prime painted light gray.



E. Miscellaneous Metals

1. Miscellaneous metals to be installed include the following:
 - i) Concrete filled, 4'-0" high x 6" diameter steel pipe guard posts set in concrete 3'-6" deep at all overhead door openings.
 - ii) One (1) vertical access ladders to the roof area.
 - iii) Miscellaneous framing, lintels, truck well guardrail, and edge angles.

F. Roofing

1. The roofing system will be ballasted, 60-mil, single-ply EPDM membrane system installed over isocyanurate insulation or equivalent, providing an R-value that will meet code requirements. The membrane will be similar or equal to that manufactured by Carlisle, Goodyear or Firestone
2. The Roof System will include a manufacturer's twenty (20) year written warranty.
3. One (1) 2'-6" x 3'-0" roof hatch will be provided to accommodate access to the roof area from within the building.

G. Architectural Metals

1. Rooftop mechanical equipment shall be screened by a structural steel supported architectural metal panel siding.
2. Composite metal panels shall be provided at the office building entrances as illustrated on the elevation. Panels have been budgeted on standard color finishes and standard sizes.

H. Masonry

1. The façade brick will be a clay color utility size brick at a material allowance of \$980 / 1,000 units.
2. Exterior masonry shall be installed over an exterior applied vapor barrier. Vapor barrier shall be installed per Michigan Energy Code requirements.



3. A single course of standard block shall be installed along the building footprint as a starter course for exterior framing and interior concrete bulkheads.
4. The brick shall be cleaned per the design specifications of the Architect. Expansion joints shall be sealed with an approved sealant.

I. Doors

1. Exterior industrial grade 3'0" x 7'0", 1³/₄" thick composite fiber doors in 18 gauge metal frames will be utilized. All exterior doors will include insulation, locksets and all applicable hardware.
2. Office/interior doors will be 3'-0" x 8'-0" solid core wood slabs in metal frames.
3. All doors will have commercial grade hardware that complies with all Building Code and ADA requirements.
4. Overhead sectional doors are to be provided as follows:
 - a) Two (2) 9' x 10' vertical lift, and nine (9) 12' x 14' vertical lift, sectional, with medium duty electrical operators. Confirm counts.
 - b) Each sectional overhead door will be constructed of 24-gauge steel with insulation and hard board or vinyl liner panels and 2" track.
 - c) Full weather-stripping will be provided at jambs and sill heads.
 - d) All doors will be factory primed and field painted with enamel paint.

J. Glass and Aluminum

1. The bands and curtain wall glass manufacturer and color shall be Grey Tinted PPG 'Sungate 500' with low-e #3 or as specified by architect. The glazing shall be a minimum of 40% of the exterior wall area and shall utilize as much floor to ceiling glass as possible for the 40% glazing allowance (subject to energy code analysis). The glass metal system shall be clear anodized aluminum and shall be 'Vista-Wall' Frontset for the bands of windows and CW-250 for the curtainwall system. Exterior sunshades – (overhangs depicted on the Elevations) are included as part of the Project Costs.



- 2.
3. Glass entrance doors shall be 'medium' stile, tinted, safety tempered plate glass with closures in clear anodized aluminum frames.
4. Interior glass and entrance doors shall be single pane, 'medium' stile, tinted, safety tempered plate glass with closures in anodized aluminum frames.
5. A revolving door has been included at the main entrance.
6. Mirrors have been included for the shell Restrooms.

K. Carpentry

1. A panelized wall profile shall be constructed for the exterior wall systems in the area of the exterior façade. Traditional stud infill will be completed at the North, East, and West entrance elements. Exterior skin construction shall consist of six (6) inch, 18 gauge studs, ½" densglass covered with Tyvek and exterior applied ridged insulation as recommended by LEED NC design standards.
2. The canopies shall be framed and clad with architectural metal panels.
3. Interior partitions will be constructed utilizing 20 gauge metal stud framing, drywall to approximately 4" above the ceiling to accommodate 10'-0" ceilings on the first, and 9'-6" ceilings on the second and third floors of the building.
4. The walls in the lobby shall be full height drywall partitions.
5. A decorative stair and a balcony handrail/guardrail system are included.
6. Rated partitions will be provided at stairwells, elevator equipment room, and electrical rooms where required by code.
7. Full height partitions will be provided at all restrooms.
8. Chases for mechanical ductwork shall be unrated and studded and boarded on one side only.



9. The elevator shaft shall be rated stud and drywall construction.
10. All interior walls shall have sound attenuating insulation.
11. An allowance has been provided for shell Restroom Millwork for the Building. Complete mens and womens toilet rooms finished on each floor of the building designed and built to meet all applicable codes.
12. Within the proposal, a Lobby Upgrade Allowance has been provided. This allowance is intended to enable the Landlord and Tenant to elect improvements to the main lobby beyond traditional finished construction.

L. Interior Finishes

1. Floor Covering

- a) An allowance (labor and material) has been provided for shell floor covering in the Office restrooms, stairways and main lobby. The allowance includes hard surface tile, carpet, VCT, and base moldings.
- b) An allowance has been provided (labor and material) for the hard surface tile and granite countertops in the restrooms.
- c) Floor covering will consist of carpet and a tile accent in the lobby, carpeted stair risers, and carpeted landings. Hard surface floor tile will be provided on the restroom floors.

2. Acoustical Ceiling

- a) Acoustical ceilings shall be 2x2 donn fineline grid with Armstrong Cirrus tile will be provided in the common areas, restrooms area.
- b) Main Lobby shall recieve a drywall and acoustical (as a base) ceiling with recessed lighting. See also the lobby upgrade allowance.
- c) Insulation shall be provided in ceilings above restrooms.

3. Painting

- a) Interior drywall surfaces will be finished with one (1) application of primer and one (1) finish coat of latex paint.



- b) Hollow metal doors and exposed miscellaneous steel items will be finished, painted with one (1) coat of industrial finish paint over shop-applied primer.
- c) Interior carpentry items that are not factory finished will be finished with one (1) coat of stain and two (2) coats of finish applications of stain finish polyurethane.

4. Toilet Accessories

- a) Toilet partitions as required by code to be equal to Hadrian series floor mounted with baked enamel finish. Units to be provided with a standard hinge, latch keeper and coat hook.
- b) Grab bars as required by code are to be provided in each handicap accessible toilet compartment.
- c) Toilet paper dispensers as required by code are to be provided within each toilet compartment.

M. Mechanical

1. Plumbing

- a) All domestic water and sanitary piping systems will be provided to support the fixtures provided as required by code. All exposed hot and cold water piping above finished ceiling areas will be insulated.
- b) Floor drains shall be provided in all restrooms to meet code requirements. Floor drains shall also be provided in the fire and domestic riser room, in the stairway, and in the janitor's closet.
- c) A 24" x 24" service sink with faucet, hose, and mop rack, will be provided in the Janitor's closet.
- d) Plumbing fixtures to be one of the following manufacturers: Kohler, American Standard, or Crane, in standard commercial colors.



- e) Completed shell restrooms as required by code have been provided as follows:
 - In the Office building - Two (2) groups (male & female) per floor, central location per wing within the footprint.
 - Final fixture counts and locations shall be determined once interior layouts are complete.
- f) Water closets will be floor mounted with Zurn flush valves, or equal.
- g) Gas service shall be provided for all HVAC equipment and plumbing items. Service shall be installed at a centralized location.
- h) Lavatories will be self-rimming china, single hole.
- i) Electric water coolers will be bi-level with remote chillers in a brushed stainless steel finish and will be provided as required by Code.
- j) The roof drainage system will consist of 6" roof sumps, adequately sized leads, and an independent secondary roof drainage system discharging to the exterior of the building at its lowest clear height.
- k) Finished restrooms as required by code shall be provided in the building.

2. Heating and Cooling

- a) Office Area
 - i) Office Area Heating and Cooling will be accomplished by a Variable Air Volume (VAV) system utilizing a cooling unit and single-duct system with VAV terminal units. These VAV units will maintain a constant temperature to each zone. The zone will be controlled by changing the quantity of the supply air in response to a space sensor. A VAV terminal unit at the zone varies the quantity of supply air to the space and the supply air temperature will be held relatively constant. A separate, electric heating system along the perimeter will be provided for heating the space.
 - ii) Equipment will be roof mounted air conditioning unit(s) that sit on prefabricated roof curbs. Equipment will be



York, Carrier, Trane or equivalent and will include DDC unit controls ready to accept Tenant's DDC control system from the VAV units.

- iii) Six (6) units with a minimum capacity of 540 tons will be set on the roof and stubbed into the office space and provided with economizers and main vertical distribution to floors. Fan powered boxes with 6 KW electric heaters will be installed along office perimeter. VAV boxes will be installed for the finished shell space. The HVAC distribution system, VAV boxes and controls, and specialty cooling/process systems are assumed to be part of the Tenant Improvement Allowance.
- iv) Design criteria for the office area will be based on 1 ton of cooling per 350 square feet.
- v) Design criteria for the Pilot Production area will be based on 1 ton of cooling per 350 square feet
- v) The system will be designed to maintain the following temperatures:
 - Heat to 72° Fahrenheit inside when 5° Fahrenheit outside.
 - Cool to 75° Fahrenheit inside when 95° Fahrenheit outside.

b) Exhaust

- i) One (1) roof mounted exhaust fan with duct distribution to all shell toilet rooms in the building will be installed.

3. Fire Protection

- a) The building area will be protected with a wet system of automatic sprinklers based on Light Hazard in accordance with NFPA #13 requirements.
 - i) Design criteria for this area will be based on a 0.15 GPM per sq. ft. density over any 1500 sq. ft. area.
 - ii) It is assumed that the municipal water supply shall be capable of providing water at 45 psi @ 550 gallons per minute at the third floor.

- b) Pilot Production Area will be protected with a wet system of automatic sprinklers based on Ordinary Hazard Group 1 occupancy in accordance with NFPA #13 requirements.
 - i) Design criteria shall be based on a 0.15 GPM per sq. ft. density over a 2000 sq. ft. area.
 - ii) It is assumed that the municipal water supply shall be capable of providing water at 45 psi @ 600 gallons per minute.
 - iii) The Pilot Production area has been provided with an upgrade to an ESFR (Early Suppression, Fast Response) system.
- c) The base building will be provided with the incoming service, riser, tamper switch, vertical mains, and shell distribution.

The Shell areas within the base building shall be provided with code required fire sprinkler systems inclusive of full "up-right" head coverage. Final turndowns, drops and concealed sprinkler head work shall be part of the Tenant Improvement. Finished areas of the building will be provided with full and complete fire protection, including installation of concealed sprinkler heads.

- d) The head end fire alarm system shall be provided in the base building. Final installation of devices and required infrastructure as required by code for the shell common areas, restrooms, lobby and any other finished areas as part of the shell (ie stairtowers) are included in the base building work.

N. Electrical

1. Service and Distribution

- a) The incoming 3000 AMP secondary electrical service will include transformers, conduits, panels, switch gear, and cable work, as necessary and as required by code. Final reconciliation will be required once the final Tenant loads and demands have been defined. Additionally, the Project Costs have included an allowance of \$150,000 to bring high transmission rate primary power feeds to the building for tariff rate reduction.
- b) One 480/277 or 120/208 volt, three-phase, four-wire, service switchboard with fusible main bolted pressure switches and



ground fault protection will be provided, installed and energized. Manufacturer will be General Electric, Square D or ITE.

- c) Single-phase power panels will be installed as follows:
 - i) Five (5), 400 amp 480/277 volt, 3 phase MLO lighting panel: (1) pilot, , (1) on each floor of the office.
 - ii) One (1), 75 KVA transformer 480/277 to 208/120 volt (1) Pilot..
 - iii) Six (6), 45 KVA transformer 480/277 to 208/120 volt (2) on each floor of the office.
 - iv) One (1), 200 amp 208/120 volt, 3 phase, MCB power panel (1) Pilot..
 - v) Six (6), 125 amp 208/120 volt, 3 phase, MCB power panel (2) on each floor of the office.
 - vi) Two (2), 100 amp 480 volt 3 phase elevator feeds including disconnects.
 - vii) Three (3), 400 amp 480 volt 3 phase MLO panels for FPB's – (1) on each floor of the Office.

2. Lighting

- a) Lighting in the main lobby, elevator lobbies, and restroom shall be a combination of recessed LED and recessed incandescent lighting. Ceiling mounted flourescents will only be used in storage rooms and janitorial or rooms without
- b) High output, energy efficient T-8 or T-5 fixtures will be provided to maintain 35 f.c. at 36" AFF in the Pilot Production area.
- c) Exit lighting and emergency battery units will be provided as required by Code.
- d) Parking lot areas will be illuminated with combinations of LED building mounted wall packs and 25' high pole mounted fixtures.

3. Convenience outlets have been provided within the finished shell space.

O. Specialties and Equipment

1. Dock Equipment

- a) Two (2), 30,000 lb. Capacity (6' x 8'), mechanically operated



dock levelers with rubber bumpers will be provided. This equipment will be Level-Rite or equal.

- b) Each truck well door opening will be equipped with a standard dock shelter or seal. This equipment will be Frommelt or equal.

2. Elevator

- a) Two (2), 3-story passenger elevators with a 3,500 lb. capacity have been provided.
- b) The car size will be 6'8" wide x 4'3" front to back, 7'5" high
- c) The car enclosure to be plastic laminate panels on the side and rear walls, stainless steel car front & door

P. Summary of Allowances

- 1. Allowances have been included for the following items.

Construction Testing	\$50,000
Landscaping	\$510,000
Retaining Walls	\$90,000
Fire Spray of Structure	\$50,000
Restroom Millwork	\$20,000
Lobby Upgrade	\$30,000
Floor Covering - Shell	\$104,000

Landlord will utilize allowance and contingency where firm estimates of costs cannot reasonably be determined at the time of contract execution. Landlord shall be advised of Allowance utilization as the costs are determined and will be tracked on an individual basis. All allowances will be reconciled at the end of the project.

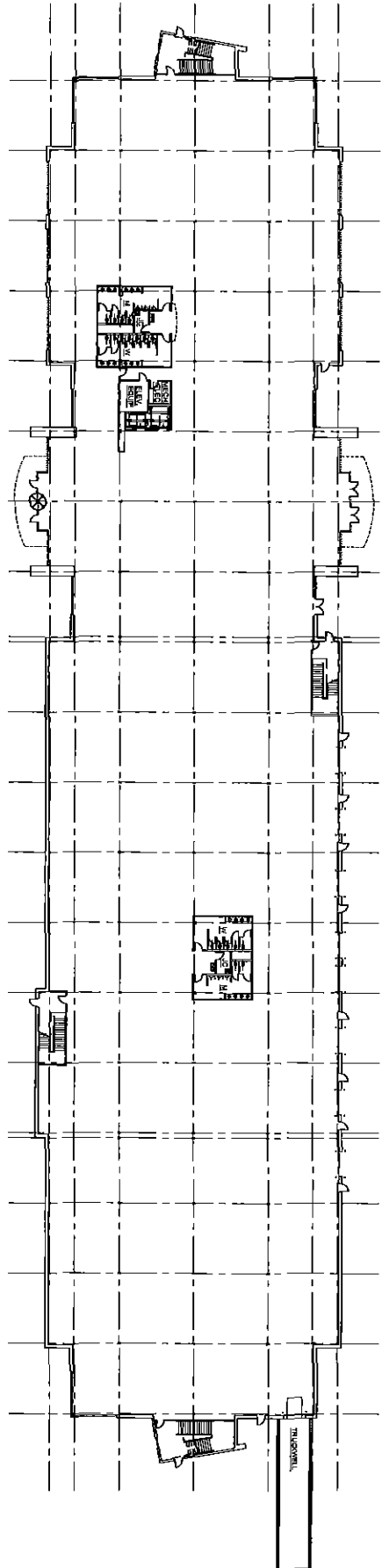
Q. Clarifications



1. Design fees for civil, geotechnical, landscaping, architectural, and structural will be excluded from the Cunningham-Limp Contract but are included in the Preliminary Estimates of Project Costs and Annual Base Rent.
2. All necessary on-site project support facilities including dumpsters, equipment rental, fuel, telephones, porta-johns, clean up, supervision, and labor are included to the point of Substantial Completion.
3. All workmanship and materials are guaranteed for one (1) year from the date of Substantial Completion. All manufacturers' warranties of individual building components will be assigned to the Owner.
4. The following items have been excluded from the Shell Construction Contract but are included in the Landlord Work and the Preliminary Estimates of Project Costs and Annual Base Rent:
 - a) Design fees for civil, geotechnical, landscaping, architectural, and structural for the Shell.
 - b) Building permits and any municipal fees for the Shell.
 - c) Environmental study, up to a Phase I,
 - d) Temporary and permanent utilities capitalization fees and consumption costs for the Shell.
 - e) Signage other than required by Code.
 - f) Window blinds are part of Tenant Improvement Allowance and exterior sunshades – (overhangs depicted on the Elevations) are part of the shell.
 - g) Primary Electrical Service.
 - h) Financial guarantees required by governmental entities for the Shell.
 - i) Builders risk insurance.
5. The following items have been excluded from both the Construction Contract and Preliminary Estimates of Project Costs and Annual Base Rent
 - a) Card access systems and infrastructure.



- b) Specialty lab, shop, and IT requirements
- c) Lightning Protection Systems.
- d) Kitchen/Cafeteria equipment, design, and associated hook-up
- e) LEED Certifications..
- f) Specialty tenant requirements of the lab/shop areas.
- g) Work performed outside of the 16.50-acre site.
- h) Wetland remediation and/or offsite improvements.
- i) Removal of underground obstructions or latent soil conditions or other unforeseen conditions.
- j) Telephone, security, computer, paging, music, and/or fire alarm systems and associated Low Voltage wiring
- k) Specialty tenant requirements of the lab/shop areas.



FIRST FLOOR PLAN
SCALE: 1/8" = 1'-0"

DATE: 11/11/11

BY: JLD

CHK: JLD

APP: JLD

DATE: 11/11/11

BY: JLD

CHK: JLD

APP: JLD

DATE: 11/11/11

BY: JLD

CHK: JLD

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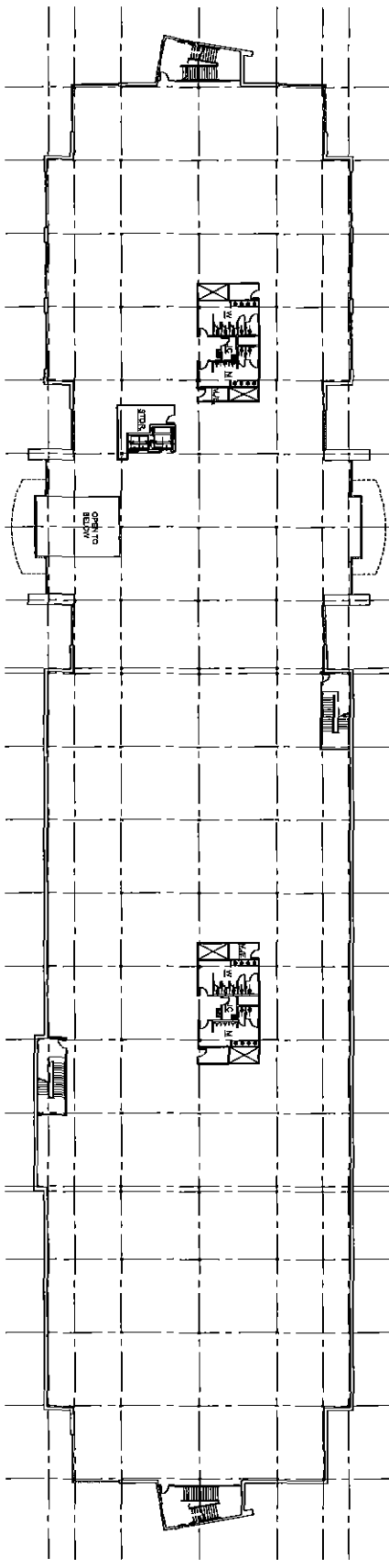
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DATE: 05/04/11
PROJECT NUMBER: 13055
SHEET NUMBER: PFP-5A

HARMAN BECKER AUTOMOTIVE SYSTEMS, INC.
NOVI, MI



FAUDIE ARCHITECTURE
26281 Evergreen Road
Suite 113
Southfield, Michigan 48076
248.819.2354
faudie@faudie.com



SECOND FLOOR PLAN
 DATE: 5-15-14
 DRAWN BY: JLS

1

DATE: 5-15-14
 PRE-APP SUBMITTAL
 DATE: 7-11-14
 SITE PLAN APPROVAL

PROJECT NUMBER: 13095

DATE: 5-15-14

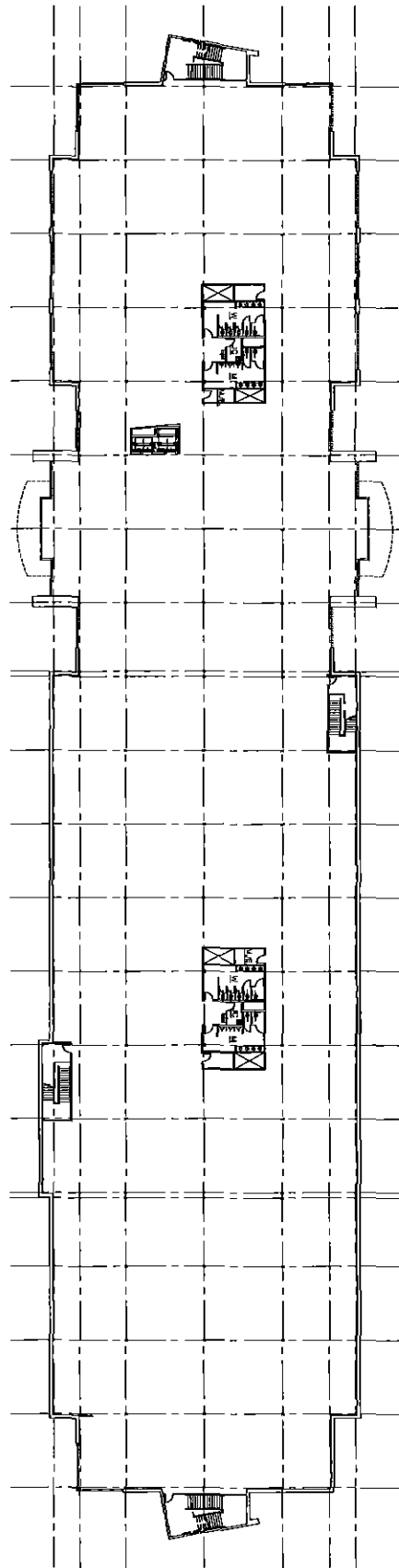
OWNER: HARMAN BECKER AUTOMOTIVE SYSTEMS, INC.

PROJECT: 26241 EVERGREEN ROAD, SUITE 130, SOUTHFIELD, MICHIGAN 48076

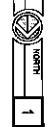
ARCHITECT: FAUDIE ARCHITECTURE

HARMAN BECKER AUTOMOTIVE SYSTEMS, INC.
 NOVI, MI

FAUDIE ARCHITECTURE
 26241 Evergreen Road, Suite 130, Southfield, Michigan 48076
 248.619.2254
 faudie@harmbeck.com



THIRD FLOOR PLAN
NOV 14 2007



1

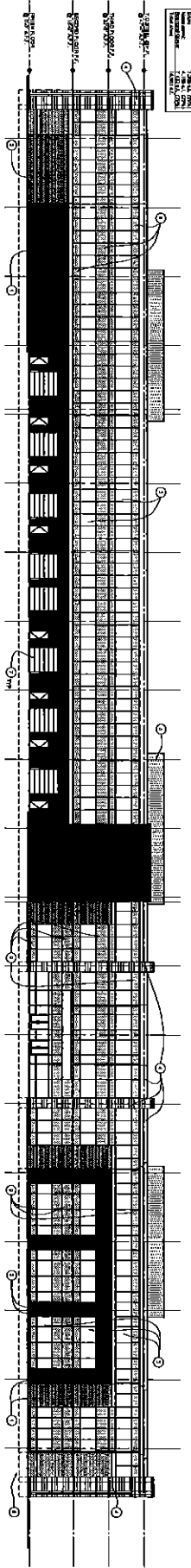
DATE:	ISSUED TO:
02-16-08	PRE-APP SUBMITTAL
02-11-08	SITE PLAN APPROVAL
PROJECT NUMBER:	13095
SHEET NUMBER:	PPS-3C

HARMAN BECKER AUTOMOTIVE SYSTEMS, INC.
NOVI, MI

FAUDIE 28261 Evergreen Road
 ARCHITECTURE Suite 123
 Southfield, Michigan 48076
 248.619.2334
 faudie@faudie.com

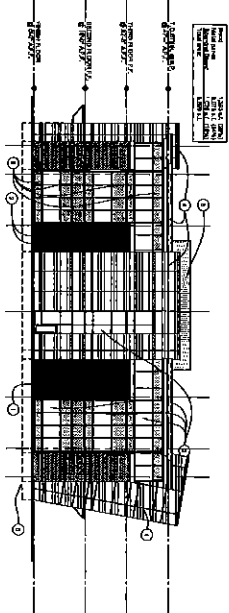
EXTERIOR MATERIAL SCHEDULE

1	UNITARY BRICK
2	RECESSED BRICK ACCENT
3	CLAY BRICK
4	1" THICK LOUVER INSUL. BRICK GLAZING IN CLAY
5	4" X 8" X 16" VENEER BRICK IN CLAY
6	ALUMINUM CL. WINDOW FRAME
7	PREPARED SLURRY-WALL PANEL, 8" X 16" SECTION
8	CLAY TILE, SPANISH-INSPIRED
9	CLAY TILE, SPANISH-INSPIRED
10	CLAY TILE, SPANISH-INSPIRED
11	1" THICK INSUL. BRICK, 8" X 16" IN CLAY
12	4" X 8" X 16" VENEER BRICK, 8" X 16" IN CLAY



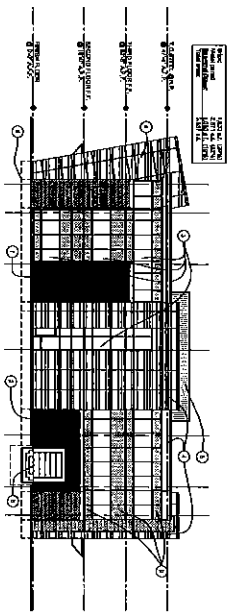
WEST ELEVATION - TOWER
SCALE: 1/8" = 1'-0"

4



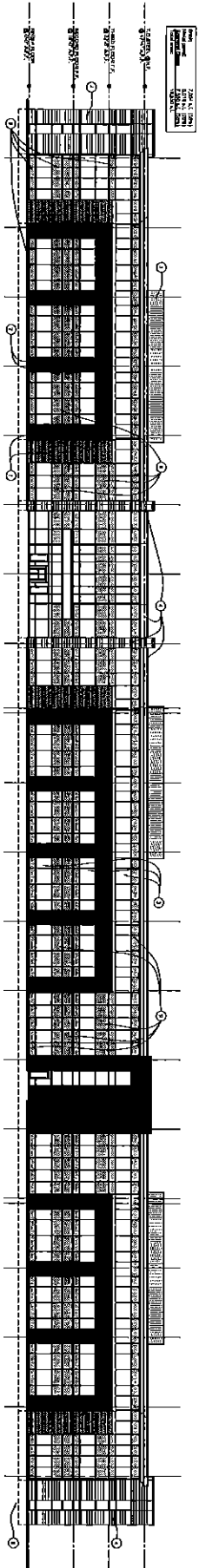
SOUTH ELEVATION - TOWER
SCALE: 1/8" = 1'-0"

3



NORTH ELEVATION - TOWER
SCALE: 1/8" = 1'-0"

2



EAST ELEVATION - TOWER
SCALE: 1/8" = 1'-0"

1



Proposed Facility for:



EXHIBIT B-2

TENANT IMPROVEMENTS SPECIFICATIONS

(to be attached in accordance with Section 2)

EXHIBIT B-3

SPACE PLAN

(to be attached in accordance with Section 2)

EXHIBIT C

TENANT'S SIGN

TENANT'S SIGN CRITERIA

Building Sign:

24"H x 120"L Fabricated break-formed aluminum panel with 2" returns (sides) mounted to fascia with hidden brackets, exposed faces and sides painted Matthews Acrylic Polyurethane White. Client logos shall be cut from 1/4" plate aluminum, mechanically fastened with 1/8" studs, and stand off with 1/4" spacers. The client logos shall be full color to match their logo specifications. 3M Scotchcal vinyl may be used for aspects of the logo that cannot be cut from plate aluminum.

Suite Entrance Vinyl:

One set of surface applied 3M #7725-10 White vinyl copy shall be applied to the 21 1/2"H x 17 1/2"L Malachite Corian Plaques at each suite entrance. The suite number copy shall be Newtext Demi-Bold. There shall be a 3/16" rule line and the tenant logo shall be implemented below the rule line.

Directional vinyl:

One set of 3M #580-10 White reflective vinyl shall be applied to the directional signs. The tenant copy shall be in 2"H Helvetica Regular (extended) font.

EXHIBIT D

BUILDING RULES AND REGULATIONS

Tenant shall comply with the following schedule of rules and regulations and take such actions as are necessary to ensure compliance by its agents, contractors and invitees. All rules and regulations set forth in this schedule shall be in addition to, and shall in no way limit, the provisions of the Lease. In the event of any conflicts between the terms of the Lease and this Exhibit, the terms of the Lease shall control.

1. No area of the Building shall be used for any purposes other than those for which they are designated.
2. Soliciting, peddling and canvassing is prohibited on the Premises.
3. Nothing shall be attached to the exterior of the Building other than permitted by the Lease (including signs) and other normal, Landlord approved fixtures (which approval shall not be unreasonable withheld, conditioned or delayed).
4. No bicycles, vehicles or animals of any kind (other than wheelchairs and seeing-eye dogs) shall be brought into the Building.
5. Except in connection with permitted alterations, no marking, drilling, boring, cutting or defacing of the walls, floors or ceilings of the Building (other than the hanging of art work, diplomas and similar objects) shall be permitted, except as expressly provided to the contrary in the Lease.
6. The toilets and other plumbing fixtures shall not be used for any purpose other than that for which they are designed.
7. Smoking is prohibited anywhere inside the Building. Smoking is also prohibited outside the Building near the entry and exit ways, or in any other areas designed by Landlord.
8. Do not obstruct sidewalks, entrances, halls, elevators or stairways in or about the Building.
9. Do not place objects against glass partitions, doors or windows which may be unsightly from the Building's corridors, or from other areas of the Building.
10. Do not install or change exterior locks.
11. Machinery or mechanical devices which are not directly related to Tenant's ordinary use of the Premises shall not be installed or operated.
12. Landlord shall not be responsible for any lost or stolen money or property.
13. The Premises shall not be used for sleeping or for any immoral or illegal purpose.
14. Building windows may be cleaned at any time.
15. Unless otherwise provided by Landlord's janitorial service, Tenant shall provide adequate waste and rubbish receptacles for the cleaning staff.
16. All contractors must have a certificate of insurance on file with Landlord. No contractor shall interfere with other work being performed at the Property, nor allow its employees or agents to interfere with such work.

17. Parking Regulations:

- (i) Parkers will be expected to park their vehicles in an orderly manner within the marked stalls provided.
- (ii) It is recommended that vehicles be left in a "brakes on, doors locked" condition at all times.
- (iii) No vehicles will be allowed to park in any driveway area or in any manner which will interfere with the normal flow of traffic.
- (iv) Vehicles parked illegally will, at the request of Tenant, be towed at the vehicles owner's expense.
- (v) Tenant agrees that all its employees have been fully informed as to the content of these regulations.

- (vi) All vehicles parked in the parking areas shall be in good condition and repair, driven and handled at the risk of the owner.
- (vii) Vehicle owner or owner's agents shall not wash, wax or otherwise clean or prep the interior/exterior of vehicles or perform any maintenance whatsoever on vehicles within the parking area or on any part of the parking lot servicing the Building.
- (viii) In the event that vehicle owner's use of the parking area violates any local, county or state law, regulation or ordinance, automobile owner's right to utilize the parking area shall immediately cease.
- (ix) Parking areas shall not be used to store vehicles or for parking unduly large commercial or recreational vehicles.

18. The rules and regulations must be observed unless they are waived in writing by Landlord.

Tenant shall be responsible for the observance of all the foregoing rules and regulations by Tenant's agents, contractors and invitees. Landlord shall not be responsible for any violation of the foregoing rules and shall have no obligation to enforce the same against others. Landlord shall have the right to amend these rules and regulations from time to time in accordance with the terms of the Lease.

EXHIBIT E
CONSTRUCTION SCHEDULE

Harman BTS
Preliminary Development Timeline
Novi, Michigan
May 29, 2014

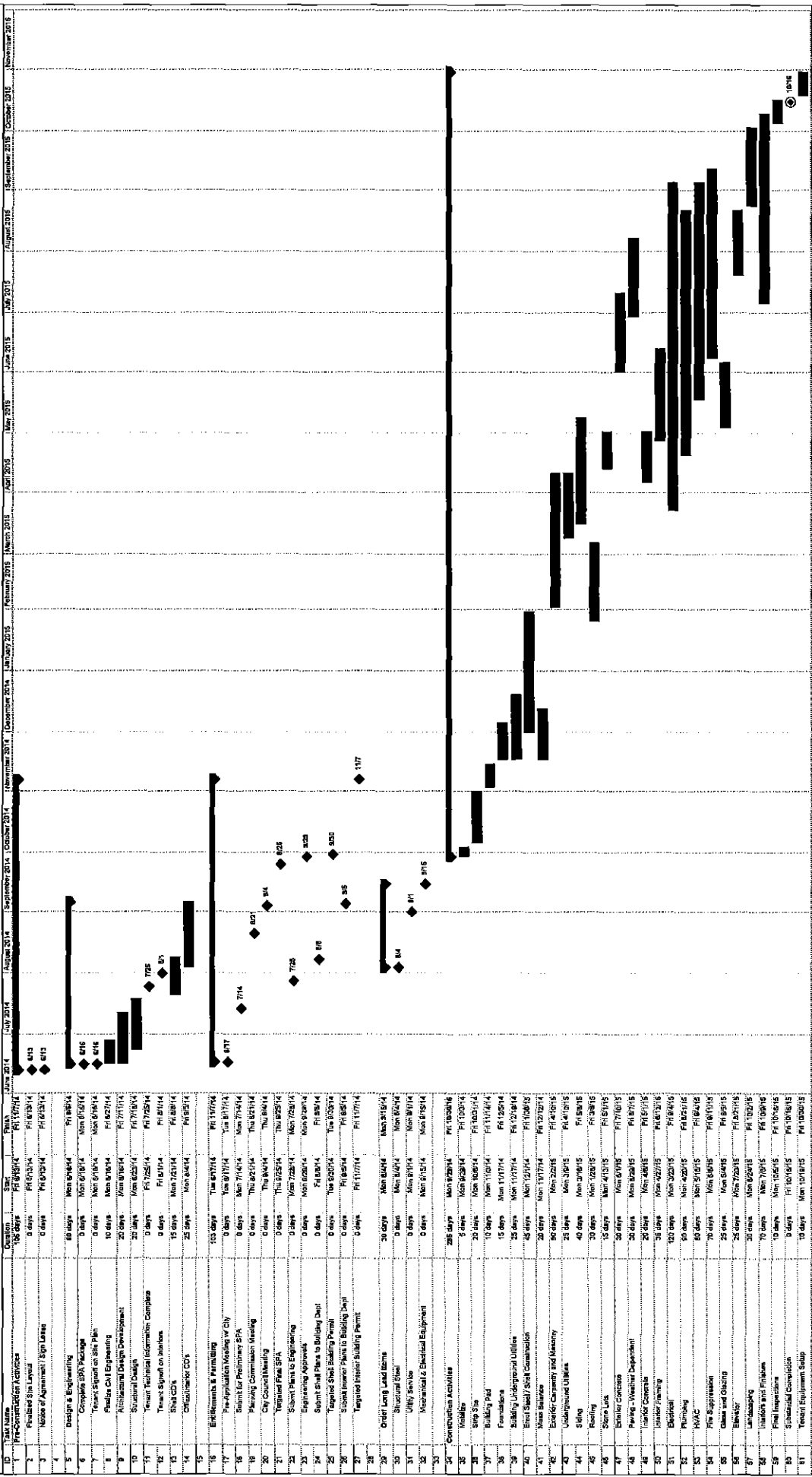


EXHIBIT F

Intentionally omitted

EXHIBIT G
EXPANSION LAND

EXHIBIT H
TITLE ENCUMBRANCES

**COMMITMENT FOR TITLE INSURANCE
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
Schedule A**

Ref: Vacant Haggerty Road
Novi, MI

Commitment No.: 5-629373
Revision No.:

1. **Effective Date:** June 09, 2014 at 8:00 am

2. **Policy or Policies to be issued:**

ALTA Loan Policy - - 6/17/06

WITHOUT EXCEPTIONS

Proposed Insured: Flagstar Bank, its successors and/or assigns

Amount: \$6,500,000.00

3. **The estate or interest in the land described or referred to in this Commitment and covered herein is Fee Simple and is, at the effective date hereof, vested in:**

HCP Land, LLC, a Michigan limited liability company

4. **The land referred to in this Commitment is located in** the City of Novi, County of Oakland, State of Michigan, and is described as follows:

SEE ATTACHED EXHIBIT "A"

Exhibit "A"

Part of the East 1/2 of Section 1, Town 1 North, Range 8 East, describe as: Beginning at a point distant North 02 degrees 30 minutes 06 seconds West 90.22 feet and South 87 degrees 29 minutes 54 seconds West 1085.33 feet and South 77 degrees 54 minutes 36 seconds West 89.62 feet from the Southeast Section corner; thence South 77 degrees 54 minutes 36 seconds West 28.57 feet; thence along a curve to the right, radius 5639.58 feet, chord bears South 78 degrees 55 minutes 26 seconds West 176.08 feet, distance of 176.08 feet; thence North 02 degrees 54 minutes 28 seconds West 708.68 feet; thence South 85 degrees 15 minutes 02 seconds West 90.05 feet; thence South 02 degrees 54 minutes 28 seconds East 716.54 feet; thence along a curve to the right, radius 5639.58 feet; chord bears South 83 degrees 15 minutes 33 seconds West 495.88 feet, distance of 496.04 feet; thence North 04 degrees 27 minutes 15 seconds West 15.08 feet; thence along a curve to the right, radius 5624.58 feet, chord bears South 86 degrees 44 minutes 01 seconds West 173.34 feet, distance of 173.35 feet; thence South 87 degrees 17 minutes 58 seconds West 163.56 feet; thence North 02 degrees 26 minutes 23 seconds West 516.95 feet; thence South 87 degrees 39 minutes 29 seconds West 49.67 feet; thence North 02 degrees 28 minutes 25 West 710.54 feet; thence along a curve to right, radius 11320.16 feet; chord bears North 01 degrees 07 minutes 47 seconds East 1417.30 feet, distance of 1418.24 feet; thence North 86 degrees 37 minutes 42 seconds East 710.98 feet; thence South 02 degrees 57 minutes 07 seconds East 1446.10 feet; thence along a curve to the left, radius 455.00 feet, chord bears South 30 degrees 23 minutes 13 seconds East 419.27 feet, distant of 435.73 feet; thence along a curve to the right, radius 395.00 feet, chord bears South 26 degrees 33 minutes 27 seconds East 410.00 feet, distance of 431.08 feet; thence South 04 degrees 25 minutes 26 seconds West 195.42 feet; thence along a curve to the left, radius 257.94 feet; chord bears South 03 degrees 34 minutes 23 seconds East 71.77 feet, distance of 72.00 feet, thence South 11 degrees 13 minutes 28 seconds East 130.75 feet to the point of beginning.

Property Tax ID: 50-22-01-400-025

Commitment No.: 5-629373
Revision No.:

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
SCHEDULE B - SECTION I
REQUIREMENTS

The following are the requirements to be complied with:

1. Standard requirements set forth in jacket.
2. Instruments necessary to create the estate or interest to be insured must be properly executed, delivered and duly filed for record.
3. Submit a copy of the Operating Agreement of HCP Land LLC, a Michigan limited liability company, together with all amendments thereto. This commitment may be subject to such further requirements as may then be deemed necessary after examination of the aforementioned document.
4. Mortgage executed by HCP Land, LLC, a Michigan limited liability company, to recited mortgagee in the amount indicated.
5. For purposes of the Loan Policy to be issued record Notice of Commencement relative to construction on the subject property.
6. For purposes of the Loan Policy to be issued submit evidence satisfactory to the Company that the Designee identified in the aforementioned Notice of Commencement will submit to the Company all Notices of Furnishing received by said Designee.
7. Furnish Sworn Statement and Waivers of Lien, satisfactory to the Company, showing payment or release of lien rights covering improvements made on the subject property.
8. Release of the subject property of the mortgage executed by HCP Land LLC, a Michigan limited liability company, to Standard Federal Bank, N.A., a national banking association, dated November 5, 2004 and recorded June 14, 2005 in Liber 35673, Page 712. Said mortgage amended by First Amendment to Mortgage recorded in Liber 40164, Page 802 and Amended, Restated and Consolidate Mortgage, recorded in Liber 43401, Page 161.
9. Release of the subject property of the mortgage executed by HCP Land LLC, a Michigan limited liability company to LaSalle Bank Midwest National Association dated March 7, 2008 and recorded April 2, 2008 in Liber 40164, Page 815. (Said mortgage executed in the original amount of \$8,500,000.00.)
10. **PAYMENT OF TAXES:**

Item No. 22-01-400-025

2013 Summer Taxes - Paid in the amount of \$97,718.57.
2013 Winter Taxes - Paid in the amount of \$1,523.76.

Submit to the Company satisfactory evidence that the property to be insured herein is not subject to either a Commercial or Industrial Facility Tax as established under Act 198 of Public Acts of 1974 or Act 255 of Public Acts of 1978. Should either tax apply, submit evidence satisfactory to the Company that all such taxes have been paid.

Commitment No.: 5-629373
Revision No.:

**OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
SCHEDULE B - SECTION II
EXCEPTIONS**

Schedule B of the policy or policies to be issued will contain exception to the following unless the same are disposed of to the satisfaction of the Company.

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this commitment.
2. Taxes and assessments that become a lien against the property after date of closing. The Company assumes no liability for tax increases occasioned by retroactive revaluation, changes in the land usage or loss of any principal residence exemption status for the insured premises.
3. Rights of the public and of any governmental unit in any part of the land taken, used or deeded for street, road or highway purposes.
4. Any provision contained in any instruments of record, which provisions pertain to the transfer of divisions under Section 109(3) of the Subdivision Control Act of 1967, as amended.
5. Agreement with easements and restrictions in favor of The Detroit Edison Company for the installation and maintenance of electric and communication facilities and ancillary equipment as contained in instrument recorded in Liber 4341, Page 374, which has been amended by Affidavit recorded in Liber 4353, Page 253 and now held by International Transmission Company and The Detroit Edison Company, as their interest may appear.
6. Easement for tree trimming vested in The Detroit Edison Company and the terms, conditions and provisions contained in instrument recorded in Liber 4504, Page 595.
7. No rights of ingress and egress to Highway M-5 and limited ingress and egress to Thirteen Mile Road as set forth in the instrument recorded in Liber Liber 16455, Page 179.
8. Covenants, conditions and restrictions and other provisions but omitting restrictions, if any, based on race, color, religion, sex, handicap, familial status or national origin as contained in instrument recorded in Liber 20461, Page 340 and in Liber 20651, Page 641, which have been amended by the instruments recorded in Liber 20765, Page 77, in Liber 22997, Page 384 and in Liber 25649, Page 123.
9. Easements and the terms, conditions and provisions of Temporary Construction Easement vested in the City of Novi and recorded in Liber 22132, Page 167.
10. Easement for a sanitary sewer system vested in the City of Novi and the terms, conditions and provisions contained in Sanitary Easements recorded in Liber 22132, Page 169, in Liber 22132, Page 171 and in Liber 22132, Page 173.
11. Right of Way granted to the County Drain Commissioner for the Seeley Drain Drainage

District as set forth in instrument recorded in Liber 39481, Page 258.

12. Agreement for Conservation Easement as set forth in instrument recorded in Liber 40311, Page 685.
13. Storm Sewer Easement as set forth in instrument recorded in Liber 40763, Page 454.
14. Sanitary Sewer Easement as set forth in instrument recorded in Liber 40820, Page 72.
15. Terms, conditions and provisions which are recited in Storm Water and Surface Drainage recorded in Liber 40763, Page 479.
16. Pump Station Access Easement as set forth in instrument recorded in Liber 40763, Page 465.
17. Agreement with easements and restrictions in favor of Detroit Edison Company for the installation and maintenance of electric and communication facilities and ancillary equipment as contained in instrument recorded in Liber 43817, Page 239.
18. Rights or claims of parties in possession not shown of record.
19. The policy to be issued pursuant to this commitment will include the following language:

Anything herein contained to the contrary notwithstanding, liability hereunder is assumed only to the extent of \$0.00, being the aggregate of amounts actually disbursed at the date hereof under the terms of the mortgage set forth in Schedule A. Any disbursements made subsequent to the date hereof shall be insured only with the written approval of the Company. Such approval shall, as of the extended Date of Policy, have the effect of insuring such disbursements as a valid lien prior to any liens and other matters evidenced of record, except such as may be included in Schedule B, Part I, and prior to any unrecorded construction liens arising from non-payment of bills covering the improvements set forth in the sworn statement and documents evidencing work progress submitted to the Company in connection with such disbursements and for which funds were actually advanced.

This policy does not insure against construction liens for labor and material furnished subsequent to the last extended Date of Policy, or construction liens for labor and materials for which funds were not actually advanced for payment, nor does this policy guarantee completion of the improvements in progress, or their compliance with plans and specifications.

**CITY OF NOVI
NOTICE OF PUBLIC HEARING
CONSIDERATION OF THE ESTABLISHMENT OF AN
INDUSTRIAL DEVELOPMENT DISTRICT
UNDER ACT P.A. 198 OF 1974, AS AMENDED**

Notice is hereby given that Harman Becker and HCP Land, LLC have submitted a request to the City of Novi for the establishment of an Industrial Development District under the "Plant Rehabilitation and Industrial Development Act P.A. 198 of 1974."

The proposed project is located at M-5 and Thirteen Mile Road and, described as follows:

LEGAL DESCRIPTION

(BY PROFESSIONAL ENGINEERING ASSOCIATES)

PROPOSED PARCEL A

Land in a part of the Southeast 1/4 of Section 1, Township 1 North, Range 8 East, City of Novi, Oakland County, Michigan;

Being more particularly described as:

Commencing at the Southeast Corner of said Section 1;

thence N02°30'06"W, 90.22 feet along the east line of sold Section 1;

thence S87°29'54"W, 1085.33 feet;

thence S77°54'36"W, 118.19 feet;

thence 638.75 feet along the arc of a non-tangent curve to the right, having a radius of 5639.58 feet, a central angle of 06°29'22", and a chord bearing 581°16'27"W 638.40 feet to the POINT OF BEGINNING;

thence continuing 75.08 feet along the arc of the extension of said 5639.58 foot radius curve to the right, having a central angle of 00°45'46", and a chord bearing S84°54'01"W 75.08 feet;

thence N02°26'23"W, 225.23 feet;

thence S87°33'38"W, 141.99 feet;

thence N29°13'41"W, 337.92 feet;

thence S87°39'29"W, 141.70 feet;

thence N02°28'25"W, 631.50 feet;

thence N87°31'25"E, 816.33 feet to the west line of Cabot Drive (60' wide);

1. 376.90 feet along the arc of a non-tangent curve to the left, having a radius of 455.00 feet, a central angle of 47°27'40", and a chord bearing S34°05'28"E 366.22 feet;

2. and 22.98 feet along the arc of a curve to the right, having a radius of 395.00 feet, a central angle of 03°19'58", an a chord bearing S56°09'20"E 22.97 feet;

thence non-tangent from said curve, S35°30'40"W, 99.13 feet;

thence S85°15'02"W, 90.05 feet;

thence S02°54'28"E, 115.00 feet;

thence S87°31'35"W, 135.71 feet;

thence S02°28'25"E, 351.48 feet;

thence S87°31'35"W, 152.56 feet;

thence 52.49 feet along the arc of a non-tangent curve to the right, having a radius of 197.00 feet, a central angle of 15°15'54", and a chord being S2543'29"W, 52.33 feet;

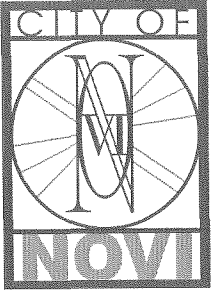
thence 174.94 feet along the arc of a curve to the left, having a radius of 280.00 feet, a central angle of 35°78'48", and a chord bearing S15°27'32"W, 72.10 feet;

thence S02°26'23"E, 71.92 feet to the POINT OF BEGINNING, containing 16.500 acres of land, more or less.

Pursuant to Section 4 (4) of said Act, a public hearing shall be held on August 25, 2014 at 7:00 pm in the Novi City Council Chambers, located at 45175 Ten Mile Road, Novi, Michigan 48375, during which any property owner within the proposed Industrial Development District, and any resident or taxpayer of the City of Novi may appear and be heard in relation to the consideration of the aforementioned Industrial Development District.

If you have any comments regarding this proposal, they may be presented in writing to the City Clerk's office or at the public hearing.

Maryanne Cornelius, MMC
City Clerk



SENT VIA CERTIFIED MAIL

CITY COUNCIL

Mayor
Bob Gatt

Mayor Pro Tem
Dave Staudt

Andrew Mutch

Justin Fischer

Wayne M. Wrobel

Laura Marie Casey

Gwen Markham

Interim City Manager
Victor Cardenas

City Clerk
Maryanne Cornelius

August 14, 2014

Oakland Community College
Attn: Chancellor
2480 Opdyke
Bloomfield Hills, MI 48304

Dear Chancellor:

This letter is to notify you as the taxing jurisdiction that a public hearing on the establishment of an Industrial Development District for Harman Becker Automotive Systems and HCP Land LLC, will be held on Monday, August 25, 2014 at 7:00 pm, at the City of Novi, Council Chambers, 45175 W. Ten Mile Rd., Novi, MI 48375.

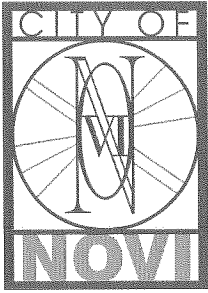
If there are any questions, please contact my office at 248-347-0456.

Sincerely,

Maryanne Cornelius, MMC
Novi City Clerk

City of Novi
45175 Ten Mile Road
Novi, Michigan 48375
248.347.0460
248.347.0577 fax

cityofnovi.org



SENT VIA CERTIFIED MAIL

CITY COUNCIL

August 14, 2014

Mayor
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Andrew Mutch

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Wayne M. Wrobel

Laura Marie Casey

Gwen Markham

Interim City Manager
Victor Cardenas

City Clerk
Maryanne Cornelius

Oakland County Equalization Division
240 Elizabeth Lake Road, Suite 1000W
Pontiac, MI 48341

To Whom It May Concern:

This letter is to notify you as the taxing jurisdiction that a public hearing on the establishment of an Industrial Development District for Harman Becker Automotive Systems and HCP Land, LLC, will be held on Monday, August 25, 2014 at 7:00 pm, at the City of Novi, Council Chambers, 45175 W. Ten Mile Rd., Novi, MI 48375.

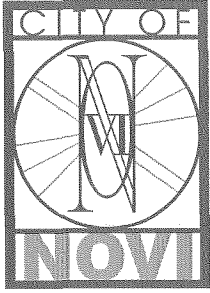
If there are any questions, please contact my office at 248-347-0456.

Sincerely,

Maryanne Cornelius, MMC
Novi City Clerk

City of Novi
45175 Ten Mile Road
Novi, Michigan 48375
248.347.0460
248.347.0577 fax

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SENT VIA CERTIFIED MAIL

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August 14, 2014

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Interim City Manager
Victor Cardenas

City Clerk
Maryanne Cornelius

Oakland County Treasurer
Attn: Andy Meisner
1200 N. Telegraph, Bldg 12 East
Pontiac, MI 48341

Dear Mr. Meisner:

This letter is to notify you as the taxing jurisdiction that a public hearing on the establishment of an Industrial Development District for Harman Becker Automotive Systems and HCP Land, LLC, will be held on Monday, August 25, 2014 at 7:00 pm, at the City of Novi, Council Chambers, 45175 W. Ten Mile Rd., Novi, MI 48375.

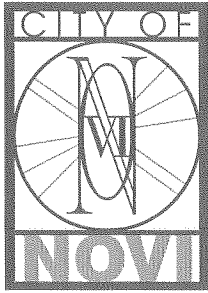
If there are any questions, please contact my office at 248-347-0456.

Sincerely,

Maryanne Cornelius, MMC
Novi City Clerk

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Maryanne Cornelius

August 14, 2014

Oakland Intermediate School District
Dr. Vickie Markavitch, Supt.
2111 Pontiac Lake Road
Pontiac, MI 48341

Dear Dr. Markavitch:

This letter is to notify you as the taxing jurisdiction that a public hearing on the establishment of an Industrial Development District for Harman Becker Automotive Systems and HCP Land LLC, will be held on Monday, August 25, 2014 at 7:00 pm, at the City of Novi, Council Chambers, 45175 W. Ten Mile Rd., Novi, MI 48375.

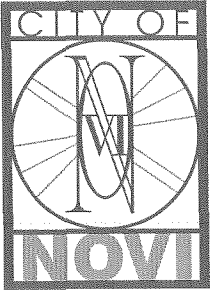
If there are any questions, please contact my office at 248-347-0456.

Sincerely,

Maryanne Cornelius, MMC
Novi City Clerk

City of Novi
45175 Ten Mile Road
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Interim City Manager
Victor Cardenas

City Clerk
Maryanne Cornelius

Walled Lake Consolidated Schools
Attn: Kenneth Gutman
850 Ladd Road, Bldg D
Walled Lake, MI 48390

Dear Mr. Gutman:

This letter is to notify you as the taxing jurisdiction that a public hearing on the establishment of an Industrial Development District for Harman Becker Automotive Systems and HCP Land LLC will be held on Monday, August 25, 2014 at 7:00 pm, at the City of Novi, Council Chambers, 45175 W. Ten Mile Rd., Novi, MI 48375.

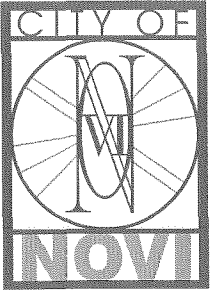
If there are any questions, please contact my office at 248-347-0456.

Sincerely,

Maryanne Cornelius, MMC
Novi City Clerk

City of Novi
45175 Ten Mile Road
Novi, Michigan 48375
248.347.0460
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SENT VIA CERTIFIED MAIL

CITY COUNCIL

August 14, 2014

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Gwen Markham

Interim City Manager
Victor Cardenas

City Clerk
Maryanne Cornelius

HCP Land, LLC
Attn: Matthew Sosin
39000 Country Club Dr.
Farmington Hills, MI 48331

Dear Mr. Sosin:

This letter is to notify you that a public hearing on the establishment of an Industrial Development District for Harman Becker Automotive Systems and HCP Land LLC will be held on Monday, August 25, 2014 at 7:00 pm, at the City of Novi, Council Chambers, 45175 W. Ten Mile Rd., Novi, MI 48375.

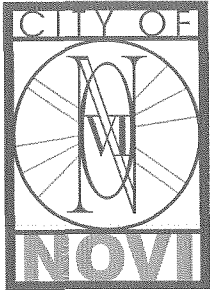
If there are any questions, please contact my office at 248-347-0456.

Sincerely,

Maryanne Cornelius, MMC
Novi City Clerk

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CITY COUNCIL

August 14, 2014

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Gwen Markham

Edwin J Lukas
BODMAN PLC
6th Floor at Ford Field
1901 St. Antoine Street
Detroit, Michigan 48226

Interim City Manager
Victor Cardenas

City Clerk
Maryanne Cornelius

Dear Mr. Lukas:

This letter is to notify you that a public hearing on the establishment of an Industrial Development District for Harman Becker Automotive Systems and HCP Land LLC will be held on Monday, August 25, 2014 at 7:00 pm, at the City of Novi, Council Chambers, 45175 W. Ten Mile Rd., Novi, MI 48375.

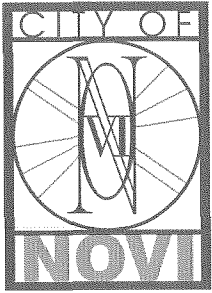
If there are any questions, please contact my office at 248-347-0456.

Sincerely,

Maryanne Cornelius, MMC
Novi City Clerk

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Gwen Markham

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Victor Cardenas

City Clerk
Maryanne Cornelius

Mr. Phillip M. Eyer, Sr. Vice President
Harman Becker Automotive Systems, Inc.
39001 West Twelve Mile Road
Farmington Hills, MI 48331

Dear Mr. Eyer:

This letter is to notify you that a public hearing on the establishment of an Industrial Development District for Harman Becker Automotive Systems and HCP Land LLC will be held on Monday, August 25, 2014 at 7:00 pm, at the City of Novi, Council Chambers, 45175 W. Ten Mile Rd., Novi, MI 48375.

If there are any questions, please contact my office at 248-347-0456.

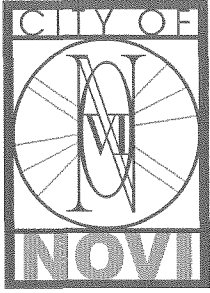
Sincerely,

A handwritten signature in cursive script that reads "Maryanne Cornelius". The signature is written in black ink and is positioned above the typed name and title.

Maryanne Cornelius, MMC
Novi City Clerk

City of Novi
45175 Ten Mile Road
Novi, Michigan 48375
248.347.0460
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City Clerk
Maryanne Cornelius

August 14, 2014

City of Novi
Attn: Glenn Lemmon, Assessor
45175 W. Ten Mile Road
Novi, MI 48375

Dear Mr. Lemmon:

This letter is to notify you as the taxing jurisdiction that a public hearing on the establishment of an Industrial Development District for Harman Becker Automotive Systems and HCP Land LLC will be held on Monday, August 25, 2014 at 7:00 pm, at the City of Novi, Council Chambers, 45175 W. Ten Mile Rd., Novi, MI 48375.

If there are any questions, please contact my office at 248-347-0456.

Sincerely,

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