

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

Application for Industrial Facilities Tax Exemption Certificate

2011 MAY 16 PM 3:18

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date received by Local Unit
STC Use Only	
Application Number	Date Received by STC

APPLICANT INFORMATION
All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) Picometrix, LLC	1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3674
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 2925 Boardwalk, Ann Arbor Mich. 48104	1d. City/Township/Village (indicate which) Ann Arbor City
2. Type of Approval Requested <input type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Research and Development (Sec. 2(9))	1e. County Washtenaw
<input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Rehabilitation (Sec. 3(1))	3a. School District where facility is located Ann Arbor Public Schools
	3b. School Code 81010
	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 LEASES 50,000 SQ. FT. AT THE ABOVE ADDRESS. DUE TO THE PROTECTED INCREASE IN PRODUCTION VOLUME, THE COMPANY WILL NEED TO PURCHASE ASSETS TO MAXIMIZE PRODUCTION AND SUPPORT ADDED STAFFING

6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	0
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total	2,690,000
6c. Total Project Costs * Round Costs to Nearest Dollar	2,690,000
	Total of Real & Personal Costs

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	Begin Date (M/D/Y)	End Date (M/D/Y)	Owned	Leased
Real Property Improvements	0	0	<input type="checkbox"/>	<input type="checkbox"/>
Personal Property Improvements	11/1/10	10/31/12	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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. 81

10. No. of new jobs at this facility expected to create within 2 years of completion. 11

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)	0
b. TV of Personal Property (excluding inventory)	0
c. Total TV	0

12a. Check the type of District the facility is located in:

Industrial Development District Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit)

12c. Is this application for a speculative building (Sec. 3(8))?
 Yes No

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name <i>RICHARD BIGGS</i>	13b. Telephone Number <i>734-864-5622</i>	13c. Fax Number <i>734-998-3474</i>	13d. E-mail Address <i>RBIGGS@ADVANCEDPHOTONIX.COM</i>
14a. Name of Contact Person <i>SAME</i>	14b. Telephone Number <i>734-864-5622</i>	14c. Fax Number <i>734-998-3474</i>	14d. E-mail Address <i>SAME</i>
▶ 15a. Name of Company Officer (No Authorized Agents) <i>ROBIN BRISER</i>			
15b. Signature of Company Officer (No Authorized Agents) <i>[Signature]</i>		15c. Fax Number <i>734-998-3474</i>	15d. Date <i>4/18/11</i>
▶ 15e. Mailing Address (Street, City, State, ZIP Code) <i>2925 BOARDWALK ANN ARBOR, MI 48104</i>		15f. Telephone Number <i>734-864-5605</i>	15g. E-mail Address <i>BRISER@ADVANCEDPHOTONIX.COM</i>

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.	
16c. LUCI Code	16d. School Code
17. Name of Local Government Body	▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

State Tax Commission
 Michigan Department of Treasury
 P.O. Box 30471
 Lansing, MI 48909-7971

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

INFORMATION FOR TAX ABATEMENT
 Advanced Photonix, Inc.
 Picometrix LLC
 2925 Boardwalk
 Ann Arbor, MI 48104

NEW MACHINERY AND EQUIPMENT

ACTUAL EXPENDITURES

Cap Ex #	PICO	Equipment	Project Date	Capital \$	Expense \$	Date Installed
FY11-002	PICO	200-21 LCA Testing Equip (50 GHz)	06/29/10	104,940	1,300	Nov-10
FY11-015	PICO	500 MATLAB Software - New Engineer	09/23/10	4,000		Nov-10
FY11-029	PICO	200-21 Computer - A. Jalynski (New Hire Mfg)	10/11/10	1,731		Nov-10
FY11-033	PICO	200-21 100G Rework Fixture	10/14/10	1,550		Nov-10
	PICO	600 T-RAY 4000 CONTROL UNIT	11/03/10	71,018		Dec-10
	OPTO	250 Quartz Purchase	04/05/10	7,500		Dec-10
FY11-025	PICO	500 PADS Software License	10/01/10	11,610		Dec-10
FY11-040	PICO	200-22 PADS Software License	10/01/10	11,610		Dec-10
FY11-041	PICO	200-21 Thermal Fiber Stripper	10/27/10	1,500		Dec-10
FY11-044	PICO	200-21 Polishing Equipment Replacement	11/02/10	13,127		Dec-10
FY11-045	PICO	515 Thz InQTel New Hire PC's	11/08/10	8,230	2,611	Dec-10
FY11-046	PICO	500/515 Labview License	11/03/10	12,927	8,091	Dec-10
FY11-048	PICO	515 Cubicle Furniture	11/15/10	5,375		Dec-10
FY11-050	PICO	515 Printer	11/30/10	2,105		Jan-11
FY11-051	PICO	500 (2) OptiPlex 980 Desktops	11/15/10	2,042		Jan-11
FY11-026	PICO	200-21 Pick & Place Machine #9	10/20/10	22,598		Jan-11
FY11-027	PICO	200-21 Pick & Place Machine #10	10/20/10	22,598		Jan-11
FY11-032	PICO	200-21 Test Cup 6" ID by 1" Depth	10/13/10	2,400		Jan-11
FY11-047	PICO	200-21 Polarization Controller	11/11/10	14,020		Jan-11
FY11-052	PICO	515/500 SolidWorks 2011 Network	12/02/10	7,990		Jan-11
FY11-053	PICO	200-21 Fusion Splicing	12/08/10	30,925		Jan-11
FY11-060	PICO	515 MatLAB License	01/18/11	5,100		Feb-11
FY11-018	PICO	200-21 Expand LCA #2 to Test 100G PT40D and PT40XLMD and BR-XX	09/02/10	45,000	500	Feb-11
FY11-030	PICO	200-21 Increase Bake Capacity of Oven #1	10/13/10	7,510		Feb-11
FY11-031	PICO	200-21 Increase Bake Capacity of Oven #2	10/13/10	7,510		Feb-11
FY11-054	PICO	500 Computer - New Hire	12/15/10	1,468		Feb-11
FY11-055	PICO	515 Computer - G. Fichter	12/15/10	1,468		Feb-11
FY11-057	PICO	200-21 Label Printer	01/07/11	2,050		Feb-11
FY11-061	PICO	515 PADS LS Suite - Floating License	01/18/11	7,066		Feb-11
FY11-064	PICO	515 CCD Camera Beam Profiler	01/18/11	3,785		Feb-11
FY11-070	PICO	515 Doc-O-Matic Software	01/24/11	1,059		Feb-11
FY11-028	PICO	200-21 Pick & Place Machine #11	10/20/10	22,598		Mar-11
FY11-056	PICO	200-21 Luna Box High Resolution OTDR	11/01/10	99,500		Mar-11
FY11-056	PICO	500 Computer - J. Brincat	12/28/10	1,468		Mar-11
FY11-062	PICO	515 Autocorrelator	01/18/11	10,250		Mar-11
FY11-063	PICO	515 USB Spectrometer	01/18/11	4,241		Mar-11
FY11-066	PICO	515 X, Y & Theta Motorized Stages	01/18/11	3,782		Mar-11
FY11-068	PICO	500 Pace Rework Station	01/24/11	4,656		Mar-11
FY11-069	PICO	500 Minitab 16 Software License	01/24/11	1,395		Mar-11
FY11-071	PICO	515 Computer - J. Savina	01/27/11	1,797		Mar-11
FY11-075	OPTO	250 Hazardous waste storage	02/09/11	1,655		Mar-11
FY11-034	PICO	515 Power Meters	02/19/11	2,750		Mar-11
FY11-074	PICO	200-21 Pick & Place Machine #12	10/20/10	22,598		Apr-11
FY11-074	PICO	200-21 Vacuum Pump	01/28/11	1,900		Apr-11
FY11-077	PICO	100 Computer - A. Metcalif	02/14/11	1,800		Apr-11
FY11-016	PICO	200-21 GeneR-100 G100 Project	05/05/10	150,607		May-11
FY11-017	PICO	200-21 BR Pigtail Station #3	09/01/10	34,398	500	Jun-11
FY11-019	PICO	200-21 BR Pigtail Station #4	09/01/10	34,398	500	Jun-11
FY11-019	PICO	200-21 Duplicate 100G Supporting Test Equip	10/13/10	21,567		Jul-11
FY11-021	PICO	200-21 Automate LCA #1, #2, & #3	10/06/10	2,323		Jul-11

INFORMATION FOR TAX ABATEMENT
Advanced Photonix, Inc.
Picometrix LLC
2925 Boardwalk
Ann Arbor, MI 48104

NEW MACHINERY AND EQUIPMENT

ACTUAL EXPENDITURES

Cap Ex #	PICO	Equipment	Project Date	Capital Expense \$	Date Installed
FY11-022	PICO	200-21 50GHz LCA #3	10/08/10	154,933	Jul-11
FY11-023	PICO	200-21 Optical/Electrical 100G Assembly Station	10/15/10	4,507	Nov-11
FY11-035	PICO	200-21 Pick & Place Machine #13	10/20/10	22,598	Jul-11
FY11-036	PICO	200-21 Pick & Place Machine #14	10/20/10	22,598	Jul-11
FY11-037	PICO	200-21 Pick & Place Machine #15	10/20/10	22,598	Jul-11
FY11-042	PICO	200-21 Fiber Ferrulization Station #2	10/27/10	10,122	Jul-11
FY11-058	PICO	520 100G 3" Whole Wafer Fabrication	01/12/11	72,000	Jun-11
FY11-059	PICO	520 Electro-Plating/Via Development	01/14/11	4,000	Jun-11
FY11-065	PICO	515 105nm Light Source Bench Top	01/18/11	7,125	Jul-11
FY11-067	PICO	500 DBR Photodiode Attach Fixture	01/21/11	35,879	Jun-11
FY11-076	PICO	500 Thermo Jet Temperature Forcing System	02/16/11	10,100	Mar-11
FY11-081	PICO	515 Oscilloscope	02/25/11	1,957	Jun-11
FY11-082	PICO	200-21 Polarization Synthesizer	02/25/11	11,500	Apr-11
FY11-083	PICO	200-21 Die Sheer Testing, Wirebond Pull	03/01/11	44,415	Apr-11
FY11-084	PICO	200-21 BERT Replacement Unit	03/01/11	17,700	Apr-11
FY11-084	PICO	500 Die Sheer Testing, Wirebond Pull	03/01/11	4,840	Apr-11
FY11-085	PICO	500 HFSS & Designer SI Software	03/04/11	110,430	Jul-11
FY11-087	OPTO	520 CHA 1000 Evaporator	03/03/11	245,000	Jul-11
FY11-088	OPTO	250 Orotemp 24 RTU	03/11/11	19,044	Jun-11
FY11-089	OPTO	250 Laptop Computer - D. Herron	03/14/11	1,800	Apr-11
FY11-088	OPTO	250 Upgrade Sputtering System	03/03/11	49,000	Jun-11

1,740,576 40,364

Actual Capital Exp thru April 2011 - Approved projects

FY 2012 PLANNED CAPITAL EXPENDITURES

PICO	200-22	Desk top & monitor (2)	Apr-11	1,200	Jun-11
PICO	200-22	Autocorrelator	Apr-11	10,250	Jun-11
PICO	200-22	Spectrometer	Apr-11	4,241	Jun-11
PICO	200-22	Laser Beam Profiler	Apr-11	3,785	Jun-11
PICO	200-22	Power meters	Apr-11	2,750	Jun-11
PICO	200-22	X, Y and theta motorized stages	Apr-11	3,782	Jun-11
PICO	200-22	Benchtop ASE source	Apr-11	7,100	Jun-11
PICO	200-22	Splicer	Apr-11	30,000	Jun-11
PICO	200-22	Digital Oscilloscope	Apr-11	6,000	Jun-11
PICO	200-22	Enigma	Apr-11	5,000	Jun-11
Misc Equip/Fixtures to support laser, T-Ray 5000 (new opto-mech subs), forecasted					
PICO	200-22	units	Various	26,000	Various
PICO	300	(2) Laptops	Apr-11	3,000	Jun-11
PICO	350	(2) Laptops & Printers	Apr-11	5,800	May-11
PICO	500	40G BERT System - enable 43Gb, 28Gb BERT Testing in Engr. (and perhaps limited production testing)	May-11	376,430	Jul-11
PICO	500	Cooler - dedicated cooling for MBE water temperature stability	May-11	10,000	Jul-11
PICO	500	high power IR source for precision solder rework and epoxy cure time reduction (greatly speeds up prototype rework)	May-11	16,000	Jul-11
PICO	500	calibrate and enhance bulb lifetime of Icu	May-11	3,500	Jul-11
PICO	500	dedicated computer for photodiode aging system (with upgraded USB interface aging beds/boards)	May-11	1,500	Jul-11

INFORMATION FOR TAX ABATEMENT
 Advanced Photonix, Inc.
 Picometrix LLC
 2925 Boardwalk
 Ann Arbor, MI 48104

NEW MACHINERY AND EQUIPMENT

ACTUAL EXPENDITURES

Cap. Ex. #	PICO	Equipment	Project Date	Capital \$.	Expense \$.	Date Installed
	500	Patrick Grant's computer needs upgrading with graphics to handle SolidWorks and Autocad simultaneously for drawing xfer, etc.	May-11	2,000		Jul-11
	500	dedicated wirebender for NPI/Engineering use in Alpha/Beta/Sustaining activities	May-11	8,000		Jul-11
	500	Optical Systems simulation tool	May-11	52,000		Jul-11
	500	upgrade/replace Engineering machine shop milling machine	May-11	10,000		Jul-11
	500	upgrade ~4 systems expected in HSOR Engineering	May-11	16,000		Various
	500	MBE room Air Conditioning - dedicated to MBE room	May-11	12,000		Jul-11
	500	MBE High Cycle Shutters - In, Ga shutters	May-11	35,000		Mar-12
	500	MBE High Efficiency Arsenic source	May-11	43,100		Mar-12
	500	4-inch chuck to enable MBE to experimentally explore 4" wafer growth for higher volume	May-11	10,000		Nov-11
	500	MBE High Efficiency Phosphorous source	May-11	59,400		Mar-12
	500	RMBE RHEED gun phosphor screen	May-11	2,000		Jul-11
	515	Desk top and monitor	Apr-11	1,200		Jun-11
	515	Telecentric Scanner	Apr-11	7,500		Jun-11
	515	Telecentric Scanner - new configuration upon customer/market requirements	Sep-11	7,500		Nov-11
	515	Head (SB), umbilical, laptop and T-Ray 4000 without laser assembly. Stage 1	Apr-11	27,828		Jul-11
	515	Head (SB), umbilical, laptop and T-Ray 4000 without laser assembly. Stage 2	Jan-12	5,000		Feb-12
	700	1 Laptop - Cost Accountant	May-11	5,000		Jul-11
	750	New printer for AP Department - check printing	Aug-11	1,800		Sep-11
	760	ARB Switch Upgrades	Apr-11	3,000		May-11
	760	New Domain Controller	Jul-11	15,750		Sep-11
	760	MS License 'True Up'	Jun-11	2,500		Aug-11
	760	First VMWare Server + Software	Oct-11	21,183		Dec-11
	760	Laptop Upgrade	Apr-11	15,048		Aug-11
	760	New Hire Laptop	Nov-11	1,300		Dec-11
	760	Antivirus Software Renewal	Jun-11	1,800		Jun-11
	760	Wireless Network Upgrades	Dec-11	3,000		Jan-12
	760	Replacement Server for Camarillo	Oct-11	2,500		Nov-11
	760	Second VMWare Server	Feb-12	5,000		Mar-12
A2 WF	250	Evaporator and Associated equipment	May-11	21,500		Feb-12
A2 WF	250	CV/Prober System	May-11	28,000		Jul-11
		Planned Capital Expenditures - FY 2012		949,747		
		TOTAL - NOVEMBER 2010 THRU MARCH 2012		\$ 2,690,123		40,364

Picometrix IFT

Legal Description

2925 Boardwalk, City of Ann Arbor

PRT OF SW 1/4 SEC 4, T3S, R6E, DESC AS COM AT SW COR OF SD SEC 4, TH N 87 DEG 9 MIN E 1904.44 FT, TH N 8 DEG 20 MIN W 82.13 FT FOR POB, TH S 85 DEG 32 MIN 50 SEC W 628.68 FT, TH N 1 DEG 53 MIN W 236.32 FT, TH N 88 DEG 7 MIN E 290.4 FT, TH N 1 DEG 53 MIN W 225 FT, TH N 88 DEG 7 MIN E 280.82 FT, TH ALG ARC OF A CUR RT 298.11 FT, RAD 5679.97 FT, CH 298.08 FT, CH BEARING S 9 DEG 50 MIN 13 SEC E, TH S 8 DEG 20 MIN E 138.81 FT TO POB, 4.687 AC M/L