

**INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE AGREEMENT  
BETWEEN THE CITY OF ANN ARBOR AND PROQUEST LLC.**

This Agreement, made this 3rd day of March 2008, by and between the City of Ann Arbor, a Michigan municipal corporation, hereinafter referred to as "City", and ProQuest LLC, a Delaware limited liability company, hereinafter referred to as "ProQuest and/or Certificate Holder".

Whereas, Pursuant to Michigan Public Act 198 of 1974, as amended ("Act"), ProQuest submitted on February 4, 2008 an Application for Industrial Facilities Exemption Certificate ("Application") for new real property improvements to be constructed in and new personal property to be acquired and installed in Ann Arbor Industrial Development District 2008-010, which was established on February 4, 2008 (the District);

Whereas, The City has elected to require as a condition for granting the Industrial Facilities Exemption Certificate to ProQuest, that this Agreement be entered into pursuant to Section 22 of the Act prior to the approval and issuance to ProQuest of the Industrial Facilities Exemption Certificate ("Certificates") by the Michigan State Tax Commission.

The parties agree that the City approval of tax abatement pursuant to its Application is subject to the terms and conditions of this Agreement as follows:

1. The length of time for which the abatement is approved is Twelve (12) years after the effective date of the Industrial Facilities Exemption Certificate. The abatement is for real property improvement to ProQuest's leasehold property commencing in 2008 and 2009 (the "Real Property Improvements") and for new personal property equipment to be purchased in 2008 and 2009 (the "New Personal Property"). The abatement will terminate December 31, 2020.
2. ProQuest's abatement is only for the items listed in Exhibit A which is attached and incorporated by this reference in the Agreement. Exhibit A supersedes the listing on its Application filed with the City Clerk on February 4, 2008.
3. ProQuest will provide the City Assessor with a detailed list of all taxable personal property at its location, the date of acquisition of the property and the original acquisition cost of the property prior to the issuance of the abatement.
4. ProQuest guarantees to the City that during the term of the abatement:
  - a. The taxable value on real property in the District will not be less than the taxable value for tax year 2007.
  - b. The taxable value on personal property of ProQuest in the District will not be less than the taxable value of the personal property assessed for the

tax year 2007, plus the value of the New Personal Property, both adjusted for depreciation in accordance with State Tax Commission multipliers.

5. On or before February 1, 2009, ProQuest shall provide the City Assessor with the actual costs of Real Property Improvements and the New Personal Property identified in Exhibit A. If those costs are less than the estimated cost on the Application by more than ten percent (10%), ProQuest shall have materially breached the terms of this Agreement and the City shall have the right to recommend revocation of the Certificate subject to provision 11 of this agreement to the State Tax Commission or taking other appropriate legal action in connection with the default.
6. By December, 31, 2009, ProQuest will add not less than Fifty (50) jobs at the facility named on the Application as compared to its number of employees as of the effective date of the Certificate. If ProQuest adds less than Fifty (50) additional jobs by December 31, 2009, ProQuest shall have materially breached the terms of this Agreement and the City shall have the right to recommend revocation of the Certificate subject to provision 11 of this agreement to the State Tax Commission or taking other appropriate legal action in connection with the default.
7. ProQuest shall comply with all of the requirements of the City's Living Wage Ordinance.
8. This abatement is being granted by the City in part to allow ProQuest to qualify for application of incentive tax credits by the State of Michigan. This agreement is contingent upon ProQuest receiving approval of State tax incentives within 120 days from the date the Michigan State Tax Commission issues the herein referenced abatement certificates. Failure to obtain approval of State tax incentives during this time will automatically revoke this agreement and the City shall have no further obligations to ProQuest under this Agreement.
9. ProQuest shall maintain operations within the City of Ann Arbor during the period of time for which the State tax incentives are in effect. If ProQuest relocates, whether within or outside of the State of Michigan, ProQuest shall pay to the affected taxing units an amount equal to those taxes it would have paid during the abatement term had the abatement not been in effect.
10. By February 1st of each year during the term of this Agreement, ProQuest shall provide the City Assessor a detail list of all personal property assets at its location within the District and the number of employees for each of the following categories: at prior year-end, new hires, attrition, and at present year-end together with any other information necessary or reasonably required for the City Assessor to determine annually as of December 31 the

value and taxable value of each facility separately for both real and personal property having the benefit of the Certificate.

11. The parties agree that if one party believes the other has breached a part of this Agreement, no legal or administrative action shall be taken with respect to the alleged breach unless the party allegedly in default is given written notice of the alleged breach and thirty (30) days thereafter to remedy the alleged breach. Written notice of an alleged breach by the City shall be sent to the City Chief Financial Officer and the City Attorney at the City, 100 N. Fifth Avenue, Ann Arbor, Michigan 48103. Written notice of an alleged breach by ProQuest shall be sent to 789 E. Eisenhower Parkway, Ann Arbor MI, 48106, Attention: Sam Avery.
12. ProQuest acknowledges and agrees that no payment of any kind in excess of the fee allowed by Act has been made or promised in exchange for favorable consideration of this Application.
13. ProQuest agrees to pay the City a \$1,000 nonrefundable application fee, which is equal to the lesser of the City's actual cost or two percent (2%) of the total property taxes abated for the term that the industrial facilities exemption certificate is in effect, within thirty (30) days of receipt of an invoice from the City.
14. ProQuest acknowledges and agrees that, pursuant to provisions of Act, that issuance of the industrial facilities exemption certificate is determined by the Michigan State Tax Commission on receipt of an approved application by the City Council and agrees to hold the City of Ann Arbor harmless in the event the Commission denies its Application for an Industrial Facilities Exemption Certificate.
15. This Agreement was entered into and was drafted pursuant to and is to be interpreted according to the laws of the State of Michigan. Both parties have had the opportunity to have this Agreement reviewed by legal counsel. This Agreement contains all of the understandings of the parties concerning the subject matter of the agreement and supersedes any prior or contemporaneous agreements or understandings, whether written or oral, between the parties. This Agreement can be amended or modified only in writing executed by the parties. The Certificate may not be transferred or assigned to any other party without the prior consent of the Ann Arbor City Council pursuant to Section 21 of the Act.
16. In any civil action brought pursuant to or to enforce any portions of this Agreement, if the City prevails, the City shall in addition to any other damages, costs or remedies, be entitled to recover its actual expenses incurred to bring, maintain or defend such action including without limitation, its actual, reasonable attorney's fee, without regard to whether such legal

services are provided by in-house counsel or outside counsel, from the date the dispute first arises through all appellate proceedings as ordered by the court.

16. If the Certificate Holder institutes or becomes involved in litigation of any kind against the City, including but not limited to actions in the Michigan Tax Tribunal and actions initiated under section 211.154 of the General Property Tax Act, after the certificate date, the Certificate Holder agrees to consent to termination of the Certificate and to take all necessary actions to authorize and execute any and all documentation required by the City or the State Tax Commission in connection with the termination of the Certificate.
17. Subject to the abatement herein granted, ProQuest agrees to timely pay all property taxes assessed during the term of the Certificate.
18. In the event that a court of competent jurisdiction should find a part of this Agreement invalid, such holding shall not affect or invalidate the remaining portions of this Agreement, which shall remain in full force and effect.
19. This Agreement shall be binding on the parties hereto, their successor and assigns. No person except those who are parties to this Agreement and their successors shall have any rights under this Agreement.

The individuals signing below acknowledge that they have read this Agreement, that they understand it, and that they have the legal authority to execute it in the capacity shown below.

PROQUEST LLC

By   
Elliot Forsyth  
Its SVP, Human Resources & Operations

CITY OF ANN ARBOR

By \_\_\_\_\_  
John Hieftje, Mayor

By \_\_\_\_\_  
Jacqueline Beaudry, Clerk

Approved as to substance

\_\_\_\_\_  
Roger W. Fraser, City Administrator

Approved as to form

\_\_\_\_\_  
Stephen K. Postema, City Attorney



mjf 012308 standard

# Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of P.A. 198 of 1974, as amended. Filing is mandatory.

**INSTRUCTIONS:** File the original and two copies of this form and the required fee (one original and two copies) 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.

CITY OF ANN ARBOR  
CITY CLERK

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date received by Local Unit FEB 04 2008
STC Use Only	
Application Number	Date received by STC TIME: 8:51 pm

**APPLICANT INFORMATION**  
All boxes must be completed.

▶ 1a. Company Name (Applicant must be the occupant/operator of the facility) ProQuest, LLC	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 7375	
▶ 1c. Address of Facility (real property or personal property location) 789 Eisenhower Parkway, Ann Arbor, MI 48108	▶ 1d. City/Township/Village (indicate which) City of Ann Arbor	▶ 1e. County Washtenaw
▶ 2. Type of Approval Requested		
<input checked="" type="checkbox"/> New (Sec. 2(4))	<input type="checkbox"/> Transfer (1 copy only)	▶ 3a. School District where facility is located Ann Arbor
<input type="checkbox"/> Speculative Building (Sec. 3(8))	<input type="checkbox"/> Rehabilitation (Sec. 3(1))	▶ 3b. School Code 81010
<input type="checkbox"/> Research and Development (Sec. 2(9))	▶ 4. Amount of years requested for exemption (1-12 Years) 12	

5. Thoroughly describe the project for which exemption is sought: Real Property (Type of Improvements to Land, Building, Size of Addition); Personal Property (Explain New, Used, Transferred from Out-of-State, etc.) and Proposed Use of Facility. (Please attach additional page(s) if more room is needed).

ProQuest provides access to over 125 billion digital pages of the world's scholarship. This project will include the construction of raised floor data center space, HVAC and power infrastructure improvements including generators and UPS additions, and Class A office space, furniture and computers to facilitate increased product development.

6a. Cost of land and building improvements (excluding cost of land) .....	▶ \$1,907,000.00
* Attach list of improvements and associated costs.	Real Property Costs
* Also attach a copy of building permit if project has already begun.	▶ \$4,395,020.00
6b. Cost of machinery, equipment, furniture and fixtures .....	Personal Property Costs
* Attach itemized listing with month, day and year of beginning of installation plus total costs	▶ \$6,302,020.00
6c. Total Project Costs .....	Total of Real & Personal Costs
* Round Costs to Nearest Dollar	

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

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements ▶	1/1/08	1/1/10	▶ <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased
Personal Property Improvements ▶	1/1/08	1/1/10	▶ <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. 485	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. 50
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11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of valuation for the entire plant rehabilitation district and obsolescence statement for property. The SEV data below must be as of December 31 of the year prior to the rehabilitation.

a. SEV of Real Property (excluding land) .....	_____
b. SEV of Personal Property (excluding inventory) .....	_____
c. Total SEV .....	_____

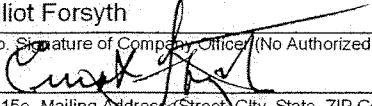
▶ 12a. Check the type of District the facility is located in:  
 Industrial Development District  Plant Rehabilitation District

▶ 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
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**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 Timothy Robinson, CEcD	13b. Telephone Number (734) 821-0071	13c. Fax Number (734) 761-9062	13d. E-mail Address Tim@annarborusa.org
14a. Name of Contact Person Elliot Forsyth	14b. Telephone Number (734) 997-4151	14c. Fax Number	14d. E-mail Address elliott.forsyth@il.proquest.com
▶ 15a. Name of Company Officer (No Authorized Agents) Elliot Forsyth			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number	15d. Date
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 789 Eisenhower Parkway, Ann Arbor, MI 48108		15f. Telephone Number (734) 997-4151	15g. E-mail Address elliott.forsyth@il.proquest.com

**LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.**

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

▶ 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Years (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: <b>Check or Indicate N/A if Not Applicable</b> <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 <b>Check or Indicate N/A if Not Applicable</b> <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	▶ End Date	▶ End Date2

# INFORMATION FOR TAX ABATEMENT FOR

ProQuest, LLC

## Cost of New Machinery and Equipment

<u>Equipment</u>	<u>Cost</u>	<u>Aquisition Date</u>
Desktop Computers 30 @ \$3500	\$105,000	November '08
Furniture systems 100 @ \$1500	\$150,000	March '08
Voice Hardware - Avaya PBX	\$85,000	March '08
Cisco Routers 5 @ \$49000	\$245,000	March '08
Cisco Switches 40 @ \$5800	\$232,000	March '08
Cisco Firewall 2 @ \$26000	\$26,000	March '08
Cisco VPN 2 @ \$8000	\$16,000	March '08
HP Servers (Blade, DL585) 100 @ \$2250	\$225,000	March '08
Sun Servers (V440, V480) 4 @ \$6250	\$25,000	March '08
EMC (SAN)Storage 5 @ \$440000	\$2,200,000	March '08
NetApp (NAS) Storage 4 @ \$209000	\$836,000	March '08
Wrightline Racks 30 @ \$8334	\$250,020	March '08
Total Equipment	<u>\$4,395,020</u>	

## CONSTRUCTION BREAKDOWN

Sitework	\$3,200
Structure	\$245,000
Electrical	\$1,074,300
Mechanical	\$352,000
General Conditions	\$232,500
<b>Total for Construction</b>	<u><b>\$1,907,000</b></u>
<b>Total Project</b>	<b>\$6,302,020</b>