

LETTER OF AGREEMENT

This Letter of Agreement is entered into this 16th day of November, 2009, by and between Saab Automobiles USA ("Saab"), 100 Renaissance Center, MC 482-A23-D46, Detroit, Michigan, 48265, and the City of Royal Oak ("City"), 211 Williams Street, Royal Oak, Michigan 48067.

WHEREAS, Saab has made application to the City for a personal property tax exemption (exemption) pursuant to Public Act 328 of 1998, as amended (Act 328); and

WHEREAS, a letter of agreement (Agreement) between the City and Saab is required by policy of the City Commission; and

WHEREAS, the City has approved, with effect as of the execution of this Agreement, the exemption for five (5) years on new personal property to be installed by Saab at 4327 Delemere Court, Royal Oak, Michigan 48073 (Personal Property Improvements).

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. The effective date of this Agreement is November 16, 2009.
2. The City approves the exemption for five (5) years beginning on the effective date of the exemption.
3. Saab adopts the findings and factual representations as contained in the resolution of the Royal Oak City Commission approving the issuance of the exemption.
4. Saab agrees that the installation of the Personal Property Improvements as defined within the application shall occur as a condition precedent to receiving the tax abatement pursuant to the exemption.
5. Annually on the anniversary date of this Agreement, Saab shall report in writing to the City Assessor concerning the status of the Personal Property Improvements and any material deviations from Saab's representations in its exemption application.
6. Subject to applicable state statutes, Saab agrees that the exemption may be revoked, pursuant to this Agreement and/or to Act 328, as amended, or as otherwise provided by law, and Saab may receive no tax abatement for the Personal Property Improvements to which the exemption applies.
7. Subject to paragraph **Error! Reference source not found.**, Saab consents to the prompt reimbursement to any taxing entity with interest at the prescribed statutory rate, upon demand, of all taxes abated pursuant to the exemption in the event that Saab moves out of the industrial development district prior to the expiration of the exemption or if this Agreement is otherwise validly terminated.
8. Saab shall timely pay the City any application fee, as allowed by statute, upon billing.
9. Saab agrees to waive its appeal rights on the initial assessed value Personal Property Improvements of the as determined by the City Assessor's office. Saab further acknowledges that, if during the term of this Agreement, Saab appeals the amount or liability for any personal property tax (an "Issue") to the Michigan Tax Tribunal or other

court of competent jurisdiction and Saab does not prevail on such Issue for any reason, then Saab shall within thirty days of receipt of City's detailed written invoice, pay to the City all necessary and reasonable costs, expenses, and attorney fees actually incurred by the City in defending the appeal(s) of such Issue(s).

10. This Agreement may be executed in any number of counterparts. Each executed counterpart shall be deemed to be an original; all executed counterparts taken together shall constitute one agreement. Receipt of a facsimile version of an executed signature page by a party shall constitute satisfactory evidence of execution of this Agreement by such party.

Dated: November 16, 2009

SAAB AUTOMOBILES USA

CITY OF ROYAL OAK

Mike Colleran
President

James B. Ellison
Mayor

Approved as to form:

Melanie Halas
City Clerk

David W. Gillam
City Attorney