

**TAX SHARING AGREEMENT BETWEEN THE DELHI CHARTER TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY AND
THE CAPITOL AREA DISTRICT LIBRARY**

THIS AGREEMENT made as of the 10th day of February, 2004, by and between the DELHI CHARTER TOWNSHIP DOWNTOWN DEVELOPMENT AUTHORITY, whose address is 4415 W. Holt Road, Holt, Michigan 48842 (the “DDA”) and THE **CAPITOL AREA DISTRICT LIBRARY**, whose address is 401 S. Capitol Avenue, Lansing, Michigan 48833 (“CADL”), and acknowledged and agreed to by Delhi Charter Township, whose address is 2074 Aurelius Road, Holt, Michigan 48842.

WITNESSETH:

WHEREAS, the DDA is a downtown development authority incorporated in 1987 pursuant to PA 1975 No. 197 (MCL 125.1651 *et seq*) (the “Act”); and

WHEREAS, the DDA is permitted by the Act to capture certain tax revenue from various taxing jurisdictions which are authorized to levy taxes on the property within the downtown district (“Development Area”); and

WHEREAS, CADL is a taxing jurisdiction whose tax revenue has been partially captured by the DDA as provided by the Act; and

WHEREAS, the DDA is specifically authorized, pursuant to Section 14 of the Act (MCL 125.1664(4)), “. . . to enter into agreements with the taxing jurisdictions and the governing body of a municipality in which the Development Area is located to share a portion of the captured assessed value of the district”; and

WHEREAS, in accordance with that section the parties desire to enter into this Tax Sharing Agreement;

NOW THEREFORE IT IS MUTUALLY AGREED AS FOLLOWS:

NOW THEREFORE IT IS MUTUALLY AGREED AS FOLLOWS:

1. **Downtown Development and Tax Increment Financing Plan.** The DDA Development Plan and Tax Increment Financing Plan, as amended, attached hereto as Exhibit A, is hereby acknowledged and agreed by CADL to be the Plan and downtown district to which this Agreement pertains, and that the activities and projects described therein are eligible for funding in whole or in part by taxes and revenue resulting from the assessed valuation and tax revenue captured by the DDA.

2. **Tax Sharing and Reduction Of Captured Assessed Valuation.**
Pursuant to Section 14(4) of the Act, it is agreed that as to CADL's tax rate:

A. For the six (6) year period commencing in 2005 through 2010, the DDA will retain eighty percent (80%) of the assessed/taxable valuation which would have been captured but for this Agreement and CADL will retain twenty percent (20%), i.e., the DDA will continue to retain 80% of the captured tax revenue and the remaining 20% shall be paid to CADL.

B. For the five (5) year period commencing in 2011 through 2015, the DDA will retain sixty percent (60%) of said captured assessed/taxable value and CADL will retain forty percent (40%), i.e., the DDA will continue to retain 60% of the captured tax revenue and the remaining 40% shall be paid to CADL.

C. For the five (5) year period commencing in 2016 through 2020, the DDA will retain forty percent (40%) of said captured assessed/taxable value, and CADL sixty percent (60%), i.e., 40%

of the captured tax revenue will continue to be retained by the DDA and the remaining 60% shall be paid to CADL.

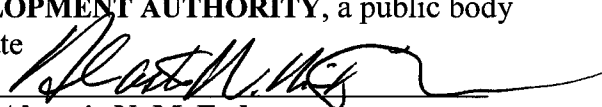
- D. For the four (4) year period commencing in 2021 through 2024, the DDA will retain twenty-five percent (25%) of said captured assessed/taxable value, and CADL will continue to retain seventy-five percent (75%), i.e, the DDA will continue to retain 25% of the captured tax revenue and the remaining 75% shall be paid to CADL. After 2024, no further capture of tax revenue will be made by the DDA.

Distribution of revenue resulting from the reduced capture described above will be made by the DDA on July 1, 2005 (actually in advance of the 2005 tax collection) and shall continue annually on the 1st day of July in each year thereafter until all distributions required by this paragraph 2 have been made.

3. **Plan Amendments.** The parties acknowledge and agree that the DDA and the Delhi Charter Township Board of Trustees (the governing body of the municipality) may from time to time amend the Plan as they deem appropriate pursuant to the Act; provided, however, no such amendment shall have the effect of modifying the provisions of paragraph 2 relating to tax sharing without the consent of CADL.


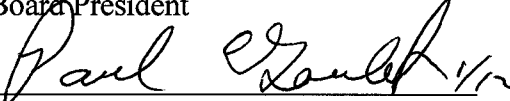
IN WITNESS WHEREOF, the parties have set their hands and seals as of the date above first written.

**DELHI CHARTER TOWNSHIP DOWNTOWN
DEVELOPMENT AUTHORITY**, a public body
corporate

By: 
Its: **Alastair N. McFadyen**
Executive Director

AND:

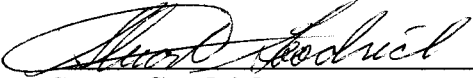
CAPITOL AREA DISTRICT LIBRARY


By: **Stuart Wilson**
Its: Board President

And: **Paul Goulet**
Its: Board Secretary

**ACKNOWLEDGMENT AND AGREEMENT
OF DELHI CHARTER TOWNSHIP**

Delhi Charter Township herewith acknowledges that its Township Board, its governing body and the “governing body of the municipality” as defined in the Act, has certain oversight authority over the Delhi Charter Township Downtown Development Authority and its development and tax increment financing plan. Delhi Charter Township, by execution of this Agreement, covenants and agrees to be bound by the terms of this Agreement, and that no modification or amendment of the Development or Tax Increment Financing Plan relating to the tax sharing provisions of paragraph 2 above shall be adopted without the consent of CADL.

DELHI CHARTER TOWNSHIP,
a Michigan municipal corporation,


By: **Stuart Goodrich**
Its: Supervisor

Instrument Prepared By:

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