

AMENDED

LETTER OF AGREEMENT

BETWEEN

**YORK CHARTER TOWNSHIP AND
TOYOTA MOTOR ENGINEERING & MANUFACTURING, N.A., INC.**

Re: Industrial Facilities Exemption Certificate Agreement

THIS AMENDED AGREEMENT is executed between the CHARTER TOWNSHIP OF YORK (the "Township") and TOYOTA MOTOR ENGINEERING & MANUFACTURING NORTH AMERICA, INC. (hereinafter, the "Company"), its successors and assigns, pursuant to the authority granted by and in satisfaction of the requirements of Section 22 of Act 198, Public Acts of Michigan, 1974, as amended ("Act 198").

RECITALS

WHEREAS, on May 10, 2005, the Township approved an April 12, 2005 application from Toyota Technical Center U.S.A., Inc. ("TTC") requesting approval of an Industrial Facilities Exemption Certificate (the "IFEC") pursuant to Act 198 for industrial property to be constructed at the Company property in sections 2 and 3 of York Charter Township (the "Facility").

WHEREAS, on June 8, 2005, the Township and TTC entered into a Letter of Agreement concerning the IFEC ("June 8 Letter of Agreement").

WHEREAS, on October 10, 2006, the Township approved the transfer of the IFEC to the Company;

WHEREAS, on October 30, 2006, the Township, TTC and the Company entered into an assignment of the June 8 Letter of Agreement from TTC to the Company; and

WHEREAS, the Company has submitted an amended application dated January 6, 2009 for an IFEC ("Amended Application") to the Township for approval, which reflects an increase in total project costs from \$102,200,000 to \$116,739,000. A copy of the Amended Application is attached hereto as Exhibit A.

NOW THEREFORE, to encourage approval of the amended IFEC and in recognition of the investments the Township will make toward the economic growth of the Company, which in turn will benefit the Township, the Company agrees as follows:

1. General

- a.** The length of time for which the abatement is approved is twelve (12) years after completion of construction and installation of equipment.

- b. The applicant shall remain within the local unit during the period of time for which the abatement has been approved. If the applicant relocates within this period of time, the applicant shall pay to the affected taxing units an amount equal to those taxes it would have paid had the abatement not been in effect.
- c. The Township and the Company acknowledge that the Company purchased and installed all of the machinery and equipment set forth in the Amended Application as of the date of this Amended Agreement.
- d. The Township and the Company acknowledge that the Company has created four hundred sixty-five (465) jobs as of the date of this Amended Agreement.

2. **Annual Status Report**

The Township may request that the Company submit an Annual Status Report to the Township Assessor, not later than November 30, 2009, and each succeeding year thereafter, so long as the IFEC is in place, irrespective of whether the IFEC is in place for only a portion of the year. The Annual Status Report shall be prepared in a form acceptable to the Township, which shall indicate estimated project cost, the actual number of jobs provided and the actual project cost as of December 31st of the year preceding the date of the Report. The Annual Status Report will also indicate an explanation if employment has not equaled or exceeded the numbers set forth in the Amended Application.

3. **Shortfall of Provided Jobs - Payment of Additional Industrial Facilities Tax**

If the average number of full-time provided jobs at the facility as a result of this project during the calendar year preceding the date of the Annual Status Report is less than the number of jobs indicated in Paragraph 1 above, the Township may require the Company to pay the Township an amount of additional Industrial Facilities Tax not to exceed the amount of Ad Valorem taxes saved by the Company for the year in which the Annual Status Report filed, multiplied by a fraction the numerator of which is the shortfall in the number of average jobs indicated in the Annual Status Report, and the denominator of which is the total number of jobs indicated in Paragraph 1 above. Prior to taking any action to require the Company to pay any amount of Industrial Facilities Tax to the Township pursuant to this Paragraph, or any action provided for under Act 198, the Township must afford the Company an opportunity to present at a public hearing reasons for any shortfalls in its compliance with this Amended Agreement. The Company shall be given at least thirty (30) days advance written notice of such hearing. The remedies provided for in this Paragraph are in addition to those provided for under Act 198.

4. **Representations**

In order for the Company to continue to receive the benefits of the IFEC, the Company must operate the project within the Township. It is understood and agreed that the Company does not agree to maintain any specific level of employment for any period of time. The

Company's sole obligation in the event of an employment shortfall is as defined in Paragraph 3 herein.

5. Unforeseen Events

By execution of this Amended Agreement it is understood that the Company's investment in the Project and the Township's investment in granting of the IFEC is to encourage economic growth within the Township. The Township acknowledges that in some instances, economic conditions may prevent the Company from complying fully with this Amended Agreement and the terms of the Amended Application. The Township will give the Company an opportunity to explain the reasons for any variations from the representations contained in the Amended Application and will evaluate the Company's situation prior to taking any action authorized by Paragraph 3 of this Amended Agreement or provided for under Act 198. The Company shall be given at least thirty (30) days advance written notice of such opportunity.

6. Effective Date

This Amended Agreement shall become effective upon issuance by the Michigan State Tax Commission of a Certificate covering the planned investments and shall be null and void and of no force or effect whatsoever unless the Michigan State Tax Commission issues a Certificate to the Company covering the planned investments and shall be null and void after the expiration of the IFEC.

7. **Affidavit of Fees**

The undersigned do hereby swear and affirm that no payment of any kind in excess of the fee allowed by P.A. 198 has been made or promised in exchange for favorable consideration of this exemption application.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of this _____ day of _____, 2009.

Witnesses:

TOYOTA MOTOR ENGINEERING & MANUFACTURING NORTH AMERICA, INC.

By: Charles H. Brown
Charles H. Brown
Its: Vice President and Secretary

CHARTER TOWNSHIP OF YORK

By: _____
Joseph B. Zurawski
Its: Supervisor
