

LETTER OF AGREEMENT
BETWEEN
YORK CHARTER TOWNSHIP AND
TOYOTA MOTOR ENGINEERING & MANUFACTURING, N.A., INC.

Re: Industrial Facilities Exemption Certificate Agreement

THIS 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"). The Company has submitted an Application dated January 6, 2009 (the "Application"), to the Township requesting approval of an Industrial Facilities Exemption Certificate (the "IFEC") pursuant to Act 198 for industrial property located at the Company leased property in sections 2 and 3 of York Charter Township (the "Facility").

To encourage approval of the 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 installation of the machinery and equipment as set forth in the Application.
- 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 Company will purchase and install the machinery and equipment as set forth in the Application within three years of August 15, 2008.
- d.** The installation of the machinery and equipment at the Facility will support the retention of 465 jobs.

2. Initial Status Report

The Township may request that the Company submit a schedule to the Township, not later than November 30, 2009, in a form acceptable to the Township, which shall indicate the actual project cost, the estimated project cost, the current number of jobs at the Facility and an explanation of any variations from what was set forth in the Application.

3. Annual Status Report

The Township may request that the Company submit an Annual Status Report to the Township Assessor, not later than November 30, 2010, 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 and the actual project cost as of December 31st of the year preceding the date of the Report.

4. 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 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.

5. 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 4 herein.

6. Unforeseen Events

By execution of this 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 Agreement and the terms of the Application. The Township will give the Company an opportunity to explain the reasons for any variations from the representations contained in the Application and will evaluate the Company's situation prior to taking any action authorized by Paragraph 4 of this Agreement or provided for under Act 198. The Company shall be given at least thirty (30) days advance written notice of such opportunity.

7. Effective Date

This 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.

8. **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

