

LETTER OF AGREEMENT

INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE

The application for an Industrial Facilities Exemption Certificate (the "Application") as filed by Arvin Sango, Inc. (the "Applicant") for construction of its industrial facility described therein (the "Project") has been approved by the Township of Northfield, County of Washtenaw, State of Michigan (the "Township"), subject to the following terms and conditions:

1. Applicant hereby stipulates and certifies that it has accurately valued the real and personal property on the Application and that the Township may rely on the figures and information represented in the Application.
2. The Township hereby states that it voted in a public meeting on July 12, 2016 to approve an industrial facilities exemption certificate for the Applicant, and the Township agrees to process and approve the Application and to timely forward the completed application to the State Tax Commission for final approval and issuance of said certificate, so long as such application is complete. A complete application shall include this written agreement fully executed, as required by Act 198, Public Acts of Michigan, 1974, as amended ("Act 198").
3. The length of time for which the industrial facilities tax certificate (the "Certificate"), if approved, is ten years, with an ending date of December 31, 2026. This Certificate shall apply only to the real property portion of the Project and shall not apply to personal property.
4. Within ninety days following completion of the Project, the Applicant shall provide the Township with the actual cost of the Project and the number of new jobs created by completion of the facility, not including jobs transferred from other locations. If the actual cost of the Project is less than the estimated cost of the Project by more than 20%, the Township shall have the right to revoke the Certificate.
5. The Applicant further agrees to submit a report regarding status of employment every year beginning the year after submission of the report required in paragraph 4, on or before July 31 of that year. If employment has not remained or exceeded the number given in the application, an explanation for this shall be included.
6. The Township may request a reduction in the terms of the Certificate, a revocation of the Certificate and/or recovery from the Applicant of the amount of taxes which were abated to the extent that (1) the construction or expansion of the Project has not been completed within the required time limits, (2) the actual cost of improvements, machinery or equipment are less than the estimated costs set forth in the application by more than five percent (5%), or (3) the promised employment level has not reached the numbers represented by the Applicant in its

Application. The Township may initiate this remedy by sending a copy of this Agreement and a copy of the annual report, along with a copy of the Township Board resolution requesting such action be taken to the State Tax Commission.

7. In order for Applicant to continue to receive the benefits of the Certificate, Applicant must operate within the Township. If Applicant closes, ceases, or moves the operation of the Project outside of the Township, Applicant shall repay to the Township and each taxing authority an amount equal to the entire amount of all general property taxes that would have been due for the Project if the Certificate had not been issued for each year that the Certificate was in effect, reduced by the amount of any payments made by Applicant pursuant to paragraph 6 of this Agreement.

8. Applicant agrees that so long as the Certificate is in effect, it shall neither protest to the Board of Review nor file a petition with the Michigan Tax Tribunal or any court or administrative body challenging the assessment or valuation of any real property of the Project and that such action will constitute a substantial default of this Agreement. If in any year during the abatement period Applicant seeks a reduction of the assessed and/or taxable value of the real property to which the abatement applies, Applicant shall immediately refund to the Township and each taxing authority the amount(s) abated during all years covered by the Certificate. Applicant shall also immediately abandon and surrender the Certificate to the Township. Applicant agrees that this is a contractual right and may be enforced in a court of competent jurisdiction. No sanctions hereunder will accrue to Applicant in the event it files an action in the Michigan Tax Tribunal with respect to the abated property in order to correct a clerical error of the Assessor such as an error in addition or subtraction.

Applicant agrees to reimburse the Township for any costs the Township incurs in responding to or contesting any appeal Applicant asserts to any court or administrative agency during the term of this agreement that the true cash value of the property (real or personal) is other than or different than the amount stated in the tax abatement application except as offset by applicable State Tax Commission Depreciation Table(s) and asset disposals. The costs subject to this section include attorney fees, appraisal costs, filing fees, expert witness fees, travel costs, copying expense, and any other cost or expense reasonably incurred by the Township in responding to or defending against such assertions.

9. The parties hereto further agree that if any of the above referenced conditions are not met within thirty (30) days after written notice by the Township of such failure, thereafter the Township may recommend revocation of the Certificate. The Township shall not recommend such revocation until after a hearing is conducted wherein Applicant shall be offered an opportunity to demonstrate why it has not breached any of the conditions set forth above or any other reasons why the Certificate should not be revoked. Applicant shall be given thirty (30) days written notice of such hearing which shall be conducted by the Township or its designee.

The determination of whether to recommend revocation of the Certificate shall be in the sole discretion of the Board of Trustees of the Township.

After such hearing, the Board of Trustees of the Township may require Applicant to post a performance bond, funded by a percentage of the abated taxes, or may sue for money damages in a court of competent jurisdiction, in lieu of or in addition to recommending revocation of the Certificate. The Township may make a claim against and enforce the terms of the performance bond.

10. In accordance with the State Tax Commission Bulletin No. 3, dated January 1998, the Township and Applicant hereby affirm that no payment(s) in excess of the fee allowed by Act 198, whether referred to as "fees," "payments in lieu of taxes," "donations," or by other like terms, has (have) been made or promised in exchange for favorable consideration of the Application.

11. This Agreement does not supersede, and is subject to, all written agreements, assurances and representations made by the Applicant to the Township in the Application or otherwise, and is further subject to the Township's current adopted policies concerning Industrial Facilities Exemption Certificates.

Arvin Sango, Inc.

Township of Northfield

By: _____

By: _____

Township Supervisor

Its: _____

Date: _____

By: _____

Township Clerk

Date: _____

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