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**MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Grant - Term Sheet**

Michigan Economic
Development Corporation

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("BDP"). While the BDP is operated and funded through the MSF, recommendation for approval of a BDP incentive award is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

Date: 3/29/2012

1. **Company Name:** Hyundai America Technical Center, Inc. ("Company" or "Applicant")
2. **Company Address ("Project"):** 6800 Geddes Road
Superior Township, Michigan 48198
3. **Company EIN:** [REDACTED]
4. **BDP Incentive Type:** Performance Based Grant
5. **Maximum Amount of BDP Incentive:** Up to \$2,500,000 ("BDP Incentive Award")
6. **Base Employment Level** 141 The number of jobs currently maintained in Michigan by the Company based on data submitted by the Company to the MEDC reflecting the Company's statewide employment level in Michigan prior to the proposed project. The Base Employment Level, including identification of the Company data used to establish this level, shall be included in the final BDP Incentive Award agreement ("Agreement") between the MSF and the Company.
7. **Total Qualified New Job Creation:** 50 The minimum number of total Qualified New Jobs the Company shall be required to create in Michigan (above the Base Employment Level) to be minimally eligible to receive the full amount of the BDP Incentive Award. Each Qualified New Job must be performed for consideration by a Michigan resident (whose Michigan income taxes are withheld as required), and each Qualified New Job must be in excess of the Base Employment Level. The final terms and conditions of the requirements for the minimum
(above Base Employment Level)

Michigan Economic Development Corporation

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number of Qualified New Jobs that must be created, including provisions addressing disbursements of portions of the BDP Incentive Award, and the effects of the MEGA credit agreement amendments referenced below as well as the effects of short term layoffs, furloughs, or similar gaps in employment on the required minimum hours per week, shall be included in the final Agreement.

a. **Start Date for Measurement of Creation of Qualified New Jobs:** January 3, 2012

8. **Company Investment:** \$15,000,000 consisting of new construction and machinery and equipment related to the expansion of the Company building.

9. **Municipality supporting the Project:** Superior Township

a. **Municipality Support.** One of the conditions of execution of the final Agreement is the requirement that the municipality shall have committed to provide: a P.A. 198 tax abatement for 12 years. The final terms and conditions demonstrating this support shall be included in the final Agreement.

b. **LDFA Agreement.** The MSF and Superior Township LDFA Board shall enter into a reimbursement agreement for the payment of tax increment revenues related to this project as determined by the MEDC.

10. **Pre-closing Requirements:** In addition to all other requirements to execute a final Agreement, the Company must enter into an agreement to set-aside and waive all rights to a claim under MEGA Agreement 307 (dated February 13, 2006) and enter into an agreement amending MEGA Agreement 213 (dated September 16, 2003) indicating its agreement that the Qualified New Jobs counted under the BDP will not count under the MEGA Agreement 213 and vice versa. The final terms and conditions of each of these agreements shall be included with the final MEGA program amendments with the Company.

11. **Disbursement Milestones:** The final terms and conditions of each of the disbursements of any portion of the BDP Incentive Award shall be included in the final Agreement, including that before any disbursement is made to the Company, the Company must have maintained: (i) the Base Employment Level (exclusive of the number of Qualified New Jobs then created) and (ii) any Qualified New Jobs created for which disbursements by the MSF have been made, and must otherwise be in compliance with all terms and conditions of the final Agreement, and further shall include:

a. **Disbursement Milestone 1:** Up to \$566,470 Upon demonstrated purchase of the transformer to the Company, and approval of a property tax abatement by Superior Township by no later than May 30, 2012.

b. **Disbursement Milestone 2:** Up to \$163,838 Upon demonstrated completion of Milestone 1, and Company submittal of approved invoices for subcontractor work

related to the Project totaling at least \$163,838, by no later than June 30, 2012.

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|-------------------------------------|-----------------|---|
| c. Disbursement Milestone 3: | Up to \$560,170 | Upon completion of the following: Disbursement Milestone 1, Milestone 2, and start of construction of the electrical substation at 6800 Geddes Rd, and the creation of 5 Qualified New Jobs above the Base Employment Level by no later than May 30, 2013. |
| d. Disbursement Milestone 4: | Up to \$491,514 | Upon completion of the following: Disbursement Milestone 1, Milestone 2, Milestone 3 and Company submittal of approved invoices for subcontractor work related to the Project totaling at least \$491,514, by no later than June 30, 2013 |
| e. Disbursement Milestone 5: | Up to \$718,008 | Upon completion of Disbursement Milestone 1, Milestone 2, Milestone 3, Milestone 4 and upon demonstrated completion of the electrical substation in full working order and Company submittal of approved invoices for subcontractor work related to the Project totaling at least \$157,838 by no later than October 1, 2013. |
| d. Project Milestone 6: | No Disbursement | Upon completion of Disbursement Milestone 1 and Milestone 2, Milestone 3, Milestone 4, Milestone 5 and demonstrated creation of 45 additional Qualified New Jobs above the Base Employment Level, and amendment to Company MEGA credit to increase its base employment by 50 by no later than January 3, 2016. |

12. Term of Agreement: Execution of Agreement to January 3, 2018

13. Repayment Provisions:

Repayment provisions are required by law. The Repayment terms and conditions will be effective through the Term of the Agreement and shall be defined in the final Agreement. In addition to the reimbursement terms to be part of the LDFA Agreement, the final repayment provisions may require repayment of some or all of the disbursements made by the MSF, including if the Company moves 25% or more of their employees or operations for the Project out of Michigan, if the Company fails to maintain the Base Employment Level in Michigan, if the Company fails to maintain the Qualified New Jobs incented by this

Award. However, failure to create the minimum 50 Qualified New Jobs will result in all amounts of funds disbursed being repaid to the MSF by the Company.

14. Reporting Requirements:

Periodic reporting will be required with this program. The detailed information needed from the Company will be included in the final Agreement, but will include Project reporting for such things as: amount of proposed incentive, amount of actual incentive received by Company; amount of proposed and actual investment made by Company for Project; the committed number of new jobs and the actual number of new jobs created as a result of the Project; the educational attainment of the employees hired; the number of new patents, copyrights, or trademarks applied for and issued to the Company; the number of licensing agreements by the Company and the number of such licensing agreements entered into by the Company with Michigan based firms; and any products commercialized by the Company.

15. Public Announcements:

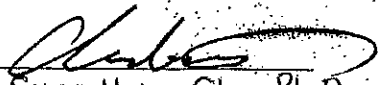
The Company shall not make, or cause, any announcement of the proposed BDP Incentive Award parameters outlined in this letter before the date of approval by the MSF of the BDP Incentive Award, unless prior authorized and coordinated with the MEDC.

Any final BDP Incentive Award is contingent upon several factors, including: (i) submission by the Company of a completed application and all other documentation required under the BDP (ii) satisfactory municipality support (iii) available MSF funding (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence as required, and the results of which must be satisfactory the MEDC, the MSF, and as applicable, the Chief Compliance Officer, (v) approval of an award by the MSF, and (vi) execution of a final Agreement containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible BDP Incentive Award for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by March 30, 2012, the MEDC may not be able to proceed with any recommendation to the MSF.

COMPANY NAME

By:


Sung Hwan Cho, Ph.D.

Its:

President

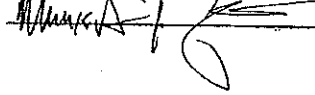
Dated:

03/30/2012

APPROVED TO FORM:

MARK TORIGIAN,

HATCI GENERAL COUNSEL



Acknowledged as received by:

Michigan Economic Development Corporation

By:

Its:

Dated:


Regional Project Manager
4/4/12

Project Name	HATCI
Discount Rate	3.25%
Payments + Repayment Period	5

	1	2	3	4	5	6	7	8	9	10
NPV										
Benefits from Project (REMI)	\$154,000	\$539,000	\$385,000	\$462,000	\$462,000	\$462,000	\$539,000	\$539,000	\$539,000	\$539,000
Cost of Project (Grant/Loan)	\$1,686,810		\$813,190							
Net	(\$1,532,810)	\$539,000	(\$428,190)	\$462,000	\$462,000	\$462,000	\$539,000	\$539,000	\$539,000	\$539,000

ROI	1.3
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If ROI > 1	Positive Benefit to State
If ROI < 1	Negative Benefit to State