

MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Grant - Term Sheet

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 ("MBDP"). While the MBDP is operated and funded through the MSF, recommendation for approval of a MBDP incentive award is presented by the Michigan Economic Development Corporation ("MEDC") to the MSF.

Date: December 5, 2016

- 1. Company Name:** Amazon.com.dedc, LLC ("Company" or "Applicant")
- 2. Company Address:** 410 Terry Avenue
Seattle, WA 98109
- 3. Project Address ("Project"):** 13000 Eckles Road
Livonia, MI 48150
- 4. MBDP Incentive Type:** Performance Based Grant
- 5. Maximum Amount of MBDP Incentive:** Up to \$7,500,000 ("MBDP Incentive Award")
- 6. Base Employment Level** 277 The number of jobs currently maintained in Michigan by the Company and Brilliance Audio, Inc, or any combination ("Company Group") based on data submitted by the Company to the MEDC reflecting the Company Group'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 MBDP Incentive Award agreement ("Agreement") between the MSF and the Company.
- 7. Total Qualified New Job Creation:** 1,000 The minimum number of total Qualified New Jobs the Company shall be required to create in Michigan (above the Base Employment Level), in addition to satisfying other milestones if applicable, to be minimally eligible to receive the full amount of the MBDP 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 number of Qualified New Jobs that must
(above Base Employment Level)

be created, including provisions addressing disbursements of portions of the MBDP Incentive Award, shall be included in the final Agreement.

a. **Start Date for Measurement of Creation of Qualified New Jobs:** Date of Approval of MSF Award

8. **Company Investment:** \$89,870,145 in machinery and equipment, new building construction, leasehold improvements, and other personal property or any combination thereof, for the Project.

9. **Municipality supporting the Project:** City of Livonia

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 tax abatement on real and/or personal property. The final terms and conditions demonstrating this support shall be included in the final Agreement.

b.

10. **Disbursement Milestones:** The final terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award shall be included in the final Agreement, including that before any disbursement is made to the Company, the Company Group 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 the Company must otherwise be in compliance with all terms and conditions of the final Agreement, and further shall include:

a. **Disbursement Milestone 1:** Up to \$2,625,000 Upon demonstrated creation of 350 Qualified New Jobs above the Base Employment Level and verification of final approval of municipality support by no later than December 31, 2018.

b. **Disbursement Milestone 2:** Up to \$2,625,000 Upon completion of Disbursement Milestone 1, and upon demonstrated creation of 350 additional Qualified New Jobs (for a total of 700 Qualified New Jobs) above the Base Employment Level, by no later than December 31, 2019.

c. **Disbursement Milestone 3:** Up to \$2,250,000 Upon completion of Disbursement Milestone 1 and Disbursement Milestone 2, and upon demonstrated creation of 300 additional Qualified New Jobs (for a total of 1,000 Qualified New Jobs) above the Base Employment Level, by no later than December 31, 2020.

11. **Term of Agreement:** Execution of Agreement to June 30, 2021

12. 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. The final repayment provisions may require repayment of some or all of the disbursements made by the MSF, including if the Company Group moves 25% or