I. CALL TO ORDER & ROLL CALL

II. PUBLIC COMMENT – PLEASE LIMIT PUBLIC COMMENT TO THREE (3) MINUTES

III. COMMUNICATIONS

IV. CONSENT AGENDA
   a. Proposed Meeting Minutes: May 24, 2022 ................................................................. 2

V. BUSINESS INVESTMENT
   a. Ford Motor Company: A resolution to authorize a Critical Industry Program Grant and a 100% SESA Exemption. ................................................................. 10
Members Present
Quentin L. Messer, Jr.
Amiee Evans (on behalf of Chairman Messer)
Michael B. Kapp (on behalf of Director Ajegba)

Members joined remotely
Britany L. Affolter-Caine
Ronald W. Beebe
Susan Corbin
Rachael Eubanks
Paul Gentilozzi
John Groen (on behalf of Director Corbin)
Charles P. Rothstein
Susan Tellier

Member Absent
Cindy Warner

I. CALL TO ORDER & ROLL CALL
Ms. Evans called the meeting to order at 10:00 a.m. The meeting was held in person in the Lake Michigan Conference Room at the MEDC headquarters building in Lansing with optional participation remotely.

Ms. Evans introduced Katelyn Wilcox Surmann, MSF Board Liaison, who conducted the attendance roll call.

II. PUBLIC COMMENTS
Ms. Wilcox Surmann explained the process for members of the public to participate; there were no public comments.

III. COMMUNICATIONS
Ms. Wilcox Surmann informed Board members that a letter was received from State Senator Dan Lauwers in support of the Axiom Engineered Systems, LLC project in Capac; the letter is attached to the minutes.

MSF Subcommittee Reports
Ronald W. Beebe, chair of the MSF Finance and Investment Subcommittee, reported the subcommittee met on May 12 and discussed the Talent Planning Grants request and the World Economic Forum Advanced Manufacturing Centre funding allocation request to Automation Alley. Subcommittee members recommend approval of both agenda items. There was no MSF Policy and Planning Subcommittee update.

IV. CONSENT AGENDA
Resolution 2022-072 Approval of Consent Agenda Items
Ms. Evans asked if there were any questions from Board members regarding items under the Consent Agenda. There being none, Michael B. Kapp motioned for the approval of the following:
a. Proposed Meeting Minutes: April 26, 2022
b. Farmers’ Group Inc. – MEGA Amendment – 2022-073
c. Tourism Economic Development Administration (EDA) Amendment – 2022-074

Charles P. Rothstein seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Amiee Evans (on behalf of Chairman Messer, designation attached), Charles P. Rothstein, Susan Tellier; Nays: None; Recused: None

Susan Corbin joined the meeting at 10:10 a.m.

V. CAPITAL ACCESS
a. Resolution 2022-075 Resthaven: Bond Authorization

Chris Cook, Managing Director of Capital Access, provided the Board with information regarding this action item. The action involves adoption of a resolution to authorize the issuance of the Series 2022 Bonds in an amount not to exceed $7,500,000 to refund the Series 2013 Bonds and Series 2017 Bonds and pay costs of issuance of the Series 2022 Bonds. Following discussion, Rachael Eubanks motioned for the approval of Resolution 2022-075. Paul Gentilozzi seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer Jr., Charles P. Rothstein, Susan Tellier; Nays: None; Recused: None

Quentin L. Messer, Jr. joined the meeting at 10:13 a.m. and presided over the remainder of the meeting.

VI. COMMUNITY VITALITY
a. Resolutions 2022-076 & 2022-077 Community Development Block Grant Program: Talent Planning Grants

Kerry Ebersole Singh, Chief Talent Solutions Officer, provided the Board with information regarding these action items. The actions involve approval of $3,000,000 in Community Development Block Grant (CDBG) Program Coronavirus Aid, Relief and Economic Security (CARES) Act funds for planning and development activities, including $1,500,000 to the Workforce Intelligence Network (WIN) for Southeast Michigan for the MiREV EV Jobs Academy – Job Training Platform Development and $1,500,000 to the SEMI Foundation for the Semiconductor Career Apprenticeship Network (SCAN) Program Planning and Development. Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2022-076. Britany L. Affolter-Caine seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer Jr., Charles P. Rothstein, Susan Tellier; Nays: None; Recused: None

Susan Tellier then motioned for the approval of Resolution 2022-077. Paul Gentilozzi seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer Jr., Charles P. Rothstein, Susan Tellier; Nays: None; Recused: None
Michelle Audette Bauman, Senior Community Development Manager, provided the Board with information regarding these action items. The actions involve approval of a $4,100,000 Michigan Community Revitalization Program performance-based direct loan split into two tranches, deviation of the MCRP Guidelines requirement of maximizing all available senior debt financing, and state tax capture for Act 381 eligible activities capped at $1,228,819 to support a community development project in the City of Sturgis, St. Joseph County. The project is expected to result in total capital investment of $11,975,599. Following discussion, Ronald W. Beebe motioned for the approval of Resolution 2022-078. Rachael Eubanks seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer Jr., Charles P. Rothstein, Susan Tellier; Nays: None; Recused: None

Michael B. Kapp then motioned for the approval of Resolution 2022-079. Ronald W. Beebe seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer Jr., Charles P. Rothstein, Susan Tellier; Nays: None; Recused: None

VII. BUSINESS INVESTMENT

Josh Hundt, Chief Projects Officer, provided the Board with information regarding this action item. The action involves approval to allocate $3,000,000 in FY 2022 funding to support the establishment of the World Economic Forum Advanced Manufacturing Centre hosted at Automation Alley. The grant would have a three-year term of $1,000,000 per year. The Centre would be a partnership between the World Economic Forum, Automation Alley, Oakland County, and the State of Michigan. Following discussion, Britany L. Affolter-Caine motioned for the approval of Resolution 2022-080. Ronald W. Beebe seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer Jr., Charles P. Rothstein, Susan Tellier; Nays: None; Recused: None

b. Resolutions 2022-081 & 2022-082 Calumet Electronics Corporation / Calumet Township: Michigan Business Development Program Grant and Community Development Block Grant Program Funding
Julia Veale, Senior Business Development Project Manager, provided the Board with information regarding these action items. The actions involve approval of a $600,000 Michigan Business Development Program performance-based grant and up to $2,000,000 in Community Development Block Grant Program funding for machinery and equipment, with up to an additional $50,000 for grant administration, to support a business development project in Calumet Township, Houghton County. The project is expected to result in total capital investment of $6,500,000 and the creation of 80 jobs. Following discussion, Paul Gentilozzi motioned for the approval of Resolution 2022-081. Quentin L. Messer, Jr. seconded the motion. The motion carried: 9 ayes; 0 nays; 0 recused.
ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer Jr., Charles P. Rothstein, Susan Tellier; Nays: None; Recused: None

Michael B. Kapp then motioned for the approval of Resolution 2022-082. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer Jr., Charles P. Rothstein, Susan Tellier; Nays: None; Recused: None

c. **Resolution 2022-083 JR Automation Technologies, LLC: Michigan Business Development Program Grant**

Julia Veale, Senior Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of a $2,250,000 Michigan Business Development Program performance-based grant to support a business development project in the City of Holland, Ottawa County. The project is expected to result in total capital investment of up to $9,900,000 and the creation of up to 140 jobs. Following discussion, Charles P. Rothstein motioned for the approval of Resolution 2022-083. Susan Corbin seconded the motion. **The motion carried: 9 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Rachael Eubanks, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer Jr., Charles P. Rothstein, Susan Tellier; Nays: None; Recused: None

Rachael Eubanks disconnected from the meeting at 11:14 a.m.

d. **Resolution 2022-084 Axiom Engineered Systems, LLC: Michigan Business Development Program Grant**

Matt Chasnis, Business Development Project Manager, provided the Board with information regarding this action item. The action involves approval of a $1,240,000 Michigan Business Development Program performance-based grant to support a business development project in the Village of Capac, St. Clair County. The project is expected to result in total capital investment of up to $13,291,080 and the creation of up to 200 jobs. Following discussion, Michael B. Kapp motioned for the approval of Resolution 2022-084. Quentin L. Messer, Jr. seconded the motion. **The motion carried: 8 ayes; 0 nays; 0 recused.**

ROLL CALL VOTE: Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Susan Corbin, Paul Gentilozzi, Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer Jr., Charles P. Rothstein, Susan Tellier; Nays: None; Recused: None

VIII. **INFORMATIONAL**

Mr. Messer noted the MSF delegated authority report for the period April 1 to April 30, 2022, was included in the meeting packet. He asked if there were any questions from Board members regarding the information; there were none.

Mr. Messer adjourned the meeting at 11:18 a.m.
May 23, 2022

Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

RE: Designation of Amiee Evans

To Whom It May Concern:

I hereby confirm my designation of Amiee Evans as the person authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for the meeting scheduled for May 24, 2022.

Sincerely,

Quentin L. Messer, Jr.
Chief Executive Officer
Michigan Economic Development Corporation

Cc: Val Hoag, MSF Fund Manager
    Katelyn Wilcox, MSF Board Administrator
June 15, 2021

Ms. Katelyn Wilcox  
Board Relations Liaison  
Michigan Strategic Fund  
300 N. Washington Square  
Lansing, MI  48913  

Re: Michigan Strategic Fund Board Meeting Designee  

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen in addition to Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454. Thank you.

Sincerely,

Susan R. Corbin  
Acting Director
February 3, 2020

Ms. Rhonda Bishop  
Board Relations Liaison  
Michigan Strategic Fund Office  
300 N. Washington Square  
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

[Signature]

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File
May 19, 2022

Quentin L. Messer, Jr.
Chairperson
Michigan Strategic Fund Board
300 N. Washington Square
Lansing, MI 48913

Dear Chairperson Messer:

I am writing to offer my full support for the grant application being submitted by Axiom Engineered Systems, LLC.

This important project, with a planned location in the Village of Capac, will provide an exciting growth opportunity for the region and welcome Axiom Engineered Systems’ first plastic injection molding production facility in the United States. The project would give new life to an already existing building in Capac, while creating up to 200 well-paying jobs in various roles. This grant would support the automobile industry and provide more than $13 million in regional investment.

The Village of Capac and the surrounding communities are eagerly anticipating this project and its expected impact on the local economy. Knowing the benefits this project would provide for the people of the 25th District, I enthusiastically support the Axiom Engineered Systems development project.

Thank you for your time and consideration of my support.

Sincerely,

[Signature]

Dan Lauwers
State Senator, 25th District
MEMORANDUM

Date: June 2, 2022

To: Michigan Strategic Fund (“MSF”) Board Members

From: Josh Hundt, Chief Project Officer
Stacy Bowerman, Senior Project Executive

Subject: Ford Motor Company (“Applicant” or “Company”) – Critical Industry Program and State Essential Services Assessment Exemptions Incentive Request

Request Summary

This is a request from the Applicant for the following State of Michigan incentive support:

- **Critical Industry Program (“CIP”) through Strategic Outreach and Attraction Reserve Fund (“SOAR”) – $100.8 million**
  - The CIP will support investments at the top five facilities listed below that will lead to the creation of 3,030 new qualified jobs and $1.16 billion of investment (“CIP Request”).

- **State Essential Services Assessment (“SESA”) Exemption - $34,401,120**
  - The SESA will support investments at all 10 facilities in Michigan that will lead to an additional $854 million of investment and the creation of an additional 230 new jobs (“SESA Exemption Request”).

- Additionally, the Applicant is requesting a waiver of the SESA program guidelines (the “Program Guidelines”) requiring (1) that projects be located in Eligible Distressed Areas, as defined in the Program Guidelines; and (2) a minimum of $100,000,000 of qualified investment in Eligible Personal Property at a project location in order to qualify for a 15-year exemption, as defined in the Program Guidelines (collectively, the “Waiver”).

The CIP Request and the SESA Exemption Request (collectively, the “Project”).

In total, the project is expected to result in the creation of up to 3,260 new jobs and a capital investment of up to $2.014 billion, as outlined below:
**Project Description**

The Company is expected to create (1) a minimum of **3,030 qualified jobs** and (2) **$1.160 billion of capital investment over the next two years** with support from the CIP to secure critical activities related to electric and internal combustion vehicle production. More than **65% of the qualified jobs will support new Electric Vehicle production-related activities** with this CIP incentive across five plants (four existing and one new). As the Company continues to electrify its existing product portfolio, the remaining investment will help ensure those vehicles will also be built in Michigan by providing a strong base in Michigan for future decisions around converting vehicles and plants to electric.

The Company is also expected to provide an additional $854 million of capital investment and the creation of 230 additional jobs to support investments at five other existing facilities in Southeast Michigan with support from the SESA.

Please see **Appendix A** for a detailed breakdown of the Project.

**Project Impact**

Major automakers are at a critical crossroad in their transition from internal combustion engine to battery electric vehicles and are making decisions on an ongoing basis around where to spend their capital resources across global footprints, focusing on the most cost competitive locations.

The automotive industry’s accelerated transition from internal combustion engine to electric vehicles creates big stakes for Michigan. U.S. electric vehicle sales are projected to increase from 2% to 47% in 2030 – making it imperative that Michigan continue to attract electric vehicle production facilities to maintain a strong part of this market share. With traditional internal combustion engine vehicles projected to still constitute more than half of all vehicles sales (53%) during this period, internal combustion engine facilities must also remain a key part of Michigan’s manufacturing portfolio.

![US Vehicle sales](image)

Source: Boston Consulting Group
To underscore this push, the Company announced in early March that it would be dividing up operations into three separate automotive business units: Ford Pro focused on the traditional commercial vehicle arm, Ford Blue focused on gas powered vehicles, and Ford Model e focused on development and production of electric vehicles.

**Employment Impact**

The Company will be creating a significant number of good paying UAW jobs and will provide pathway opportunities for Michiganders, including individuals from geographically disadvantaged areas. Per the 2019 UAW contract, Ford will offer a starting wage of approximately $17/hour leading to an average wage of $21/hour within three years with the ability to grow to a wage of $29.71/hour over an eight-year period. These employees can advance into team leader and other supervisory positions as well as into the skilled trades. In addition, these jobs provide health care benefits with limited out-of-pocket costs to employees, 401K contribution, paid time off, funding for educational pursuits, as well as profit sharing and eligibility for other bonuses, when applicable.

**Applicant History**

Ford Motor Company was incorporated in Delaware in 1919. It acquired the business of a Michigan company, also known as Ford Motor Company, which had been incorporated in 1903 to produce and sell automobiles designed and engineered by Henry Ford. It is a global company based in Dearborn, Michigan. With about 186,000 employees worldwide, the Company designs, manufactures, markets and services a full line of Ford trucks, utility vehicles, and cars - increasingly including electrified versions - and Lincoln luxury vehicles; provides financial services through Ford Motor Credit Company LLC; and is pursuing leadership positions in electrification; mobility solutions, including self-driving services; and connected vehicle services.

A background check has been completed in accordance with the MSF Background Review Policy, and the project may proceed for MSF consideration.

**Demonstrated Need**

When determining where to locate, the Company evaluates locations throughout the United States and globally to determine the most financially viable options. Consideration on placement includes implementation and ongoing operational costs, availability of talent, utility and labor costs as well as economic development incentives.

As was the case when SOAR was enacted, the shift to electrification remains one with unprecedented competition from other states. The historical record shows the Company can, and has, located internal combustion engine and electric vehicle production investments outside of Michigan – including $11.4 billion invested to create 11,000 new jobs to build electric vehicles and batteries in Tennessee and Kentucky. Similarly, the investments for this project are being considered at other site locations around the world, such as Ohio, Kentucky, Tennessee, Mexico, Canada and Spain.

By making Michigan the most cost-competitive location through these incentives, we are securing the totality of this investment, the long-term prospects of these facilities, and **3,030 qualified jobs and $1.160 billion of investment in Michigan** with the CIP Request and an additional $854 million of investment and 230 jobs with the SESA Exemption Request.

**Request**

In order to secure the Project in Michigan, the Applicant is requesting the following incentives:
- A $100,800,000 CIP performance-based grant (see Appendix B for programmatic considerations)
- A $34,401,120 SESA Exemption (see Appendix C for programmatic considerations) along with a request to waive the Eligible Distressed Area and minimum qualified investment criteria outlined in the Program Guidelines. Per Program Guidelines, the MSF board will consider projects that are site specific within a municipality, with preference given to projects in Eligible Distressed Areas or projects that are transformational in nature. Projects that result in up to $100 million of qualified investments are eligible for a five-year exemption and projects that exceed $100 million are eligible for a 15-year exemption. Additionally, projects located in an Eligible Distressed Area qualify for a 100 percent SESA Exemption and projects that are not located in an Eligible Distressed Area qualify for a 50 percent Alternative State Essential Services Exemption. However, legislation only requires companies invest a minimum of $25 million in a municipality to be eligible for a 100 percent SESA Exemption for an unspecified number of years. Due to the impactful and competitive nature of this Project, staff is seeking a waiver of the Program Guidelines to allow a 15-year 100 percent SESA for the following locations: 1) Flat Rock Assembly Plant; 2) VanDyke Plant; 3) Woodhaven Stamping Plant; 4) Sterling Axle Plant; 5) Livonia Transmission Plant; 6) Rawsonville Plant and 7) Monroe Packaging Center.

The Project aligns with the MEDC’s strategic focus areas to attract, retain and support businesses and foster high-wage skills growth in the focus industries of mobility and automotive manufacturing and advanced manufacturing.

**Funding**
The CIP will be funded through the SOAR Fund, with initial funding appropriated at $1 billion, and a current remaining available balance of $333,900,000. Upon MSF approval of the recommendations for the CIP Request, the process for legislative transfer of actual funds through the SOAR Fund will be initiated to the MSF to implement funding this incentive.

**Recommendation**
MEDC Staff recommends approval of the following:
- **CIP**
  Approval of the CIP Request for a minimum of 3,030 qualified jobs and $1.16 billion in capital investment, as outlined in the attached Resolution and Term Sheet.
- **SESA Exemption**
  Approval of: (1) the Waiver; and (2) a SESA Exemption Request for a period of 15 years for $1,543,200,000 in qualified investments in Eligible Manufacturing Personal Property, as outlined in the attached Resolution.
APPENDIX A – Site Specific Project Overview

**Rouge Electric Vehicle Center (REV-C)**

Location: Dearborn  
Job Creation: 1,508  
Investment: $450 million  
Product: F-150 Lightning  
State Incentive Support: CIP and State ESA

The REVC is being considered for additional investment to double its manufacturing capabilities for the F-150 Lightning. This investment would enable the REVC to produce nearly 150,000 trucks and will result in the creation of 1,508 jobs and $450 million of investment. This could provide Ford with significant market growth and help solidify Ford’s plans to lead the electric vehicle revolution, especially since 75% of the 200,000 Lightning reservations are new customers to Ford.

**Michigan Assembly Plant**

Location: Wayne  
Job Creation: 382  
Investment: $475 million  
Product: Ranger and Bronco  
State Incentive Support: CIP and State ESA

The Michigan Assembly Plant currently produces Ford Ranger pick-up and the recently launched Bronco. The plant will continue to produce the Ranger and Bronco and is under consideration for several product derivatives, including one for export outside the United States. This investment will lead to the creation of 382 new jobs and $475 million in capital investment. Ford is the largest taxpayer in the community and has brought significant supplier development into the area, especially recently with numerous third party upfitters for the recently launched Bronco.

**Monroe Packaging Center**

Location: Monroe Charter Township  
Job Creation: 650  
Investment: $35 million  
Product: Parts Packaging/Warehouse  
State Incentive Support: CIP and State ESA

This investment would include the construction of a new packaging center for the parts division that would bring 650 new jobs to Monroe and $35 million in capital investment.

**Rawsonville Plant**

Location: Ypsilanti Township  
Job Creation: 250  
Investment: $160 million  
Product: EV Battery Pack Assembly  
State Incentive Support: CIP and State ESA

The Ford Rawsonville Plant in Ypsilanti Township provides a critical role in electric vehicle manufacturing for its battery pack assembly. This facility has been underutilized in recent years and any additional product sourcing and investment will help provide a more secure future. Rawsonville will continue to do some assembly of transmission shift kits as well as oil pumps. They will also continue to assemble carbon canisters, and air induction systems. This investment would bring additional battery pack assembly work to the plant, including insourcing work from Mexico and help secure the long-term viability of the plant in the community along with the creation of 250 new jobs and $160 million of capital investment.
**Livonia Transmission Plant**  
Location: Livonia  
Job Creation: 240  
Investment: $40 million  
Product: BEV & ICE Transmissions and Gears  
State Incentive Support: CIP and State ESA

Ford’s Livonia Transmission Plant manufactures both internal combustion engine and electric vehicle transmissions and will continue to produce 6 speed and 10 speed rear wheel drive transmissions as well as two 8 speed front wheel drive transmissions. Livonia Transmission is being considered for additional investment needed to increase production in support of several Ford vehicles that are made in Michigan, as well as other assembly plants outside of Michigan. Ford is also looking at additional investment to produce BEV motors and gears. In total the project is expected to result in the creation of 240 jobs and $40 million of capital investment.

**Flat Rock Assembly Plant**  
Location: Flat Rock  
Job Creation: 28  
Investment: $300 million  
Product: Mustang  
State Incentive Support: State ESA

The Flat Rock Assembly Plant currently produces the Ford Mustang, which Ford currently exports worldwide. The plant will continue to produce the Mustang and is under consideration for new investments that will enable the company to produce a new Mustang at the Flack Rock Assembly Plant. The company anticipates the creation of 28 jobs and $300 million of investment to support the project.

**Van Dyke Plant**  
Location: Sterling Heights  
Job Creation: 18  
Investment: $159 million  
Product: Hybrid and Full Battery Electric Motors  
State Incentive Support: State ESA

The Van Dyke Plant currently focuses on both hybrid and full battery electric motors. The investment will increase production and establish an eMotor and eTrans center of excellence positioning the Van Dyke Plant to be a key facility in Ford’s future electric vehicle strategy. The company anticipates the creation of 18 jobs and $159 million of investment to support the project.

**Dearborn Engine Plant**  
Location: Dearborn  
Job Creation: 102  
Investment: $210 million  
Product: 2.xL engine  
State Incentive Support: State ESA

The Dearborn Engine Plant currently produces the 2.0L engine and will continue to do so. Ford is considering adding equipment to produce a new 2.xL engine that is currently produced in Spain. The company anticipates the creation of 102 jobs and $210 million of investment to support the project.

**Woodhaven Stamping Plant**  
Location: Woodhaven  
Job Creation: 0  
Investment: $75 million
Product: F-150 and New Mustang Components
State Incentive Support: State ESA

The Woodhaven Stamping plant stamps parts such as door panels, hoods, truck bodies and other parts. Ford is considering investment in equipment that will allow the company to produce components for the F-150 and new Mustang. The company anticipates $159 million of investment to support the project.

Sterling Axle Plant
Location: Sterling Heights
Job Creation: 82
Investment: $110 million
Product: F- Series and Expedition/Navigator Axle
State Incentive Support: State ESA

Sterling Axle Plant currently produces axles for both front and rear wheel drive vehicles. Ford is considering adding equipment to produce a new F- Series and Expedition/Navigator Axle. The company anticipates the creation of 82 jobs and $110 million of investment to support the project.
Appendix B - CIP Programmatic Considerations

Key Statutory Criteria
Per section 88s of Act 270, the MSF shall consider at a minimum all of the following criteria to the extent reasonably applicable as reasonably determined by the MSF to the type of project proposed before entering into a written agreement for a qualified investment:

a) The importance of the Project to the Community where it is located:
The proposed project will have a significant positive impact in several communities in Southeast Michigan as it solidifies the presence of a global automotive manufacturer. Several of these communities are dependent on the tax revenues from the Ford facilities themselves, as well as those of Ford suppliers and Ford employees working and residing in the communities. In addition, there is ancillary economic benefit to nearby retail establishments from the workers in the area. Moreover, Ford’s investment in its new R&D campus in Dearborn will help transform the area around Oakwood Boulevard into a vibrant retail corridor and will provide area residents with public greenspaces and a community connection into Michigan Avenue. Wayne County’s corridor along Michigan Avenue will continue to grow as more product variants are introduced which usually result in nearby third party upfitters. The project is expected to result in immediate job growth and significant and continued investment, which will commence in 2022 and be completed within three years.

b) If the Project will act as a Catalyst for Additional Revitalization of the Community and in Michigan:
The project will result in significant job creation and capital investment. It is anticipated the influx of jobs will result in spin-off investments and redevelopment opportunities. Over $22.5 billion in new personal income is expected to be generated by the direct, indirect, and induced jobs that this opportunity will create over 16 years. This personal income will be utilized to not only support the many small businesses in the community that are still recovering from the COVID pandemic but will spur demand to redevelop underutilized and blighted properties in the community and the state for commercial and residential purposes.

c) The amount of local financial and Community Support of the Project:
Not applicable. Since this project is primarily investing in machinery and equipment in addition to job creation, a tax abatement is not a suitable tool for this project.

d) The Applicant’s Financial Need for a Qualified Investment from the CIP:
Ford is at a critical crossroad in its transition from internal combustion engine vehicles to electric vehicles and is having ongoing decisions on where best to spend its capital resources globally. Ford looks across its manufacturing footprint when making decisions on where to invest and focuses on the most cost competitive locations. In addition, Ford’s Board of Directors must approve how and where to allocate resources between its existing internal combustion engine footprint and its newer electric vehicle focused facilities, which include those in the U.S. as well as Canada and Mexico. Items that make Michigan less competitive include Wayne County’s higher than average property taxes and utility rates on renewable energy sources in addition to higher overall labor costs in the U.S. Incentive assistance is necessary to defray additional costs incurred in Michigan compared to other locations.

e) The extent of reuse of Public or Private Vacant Buildings, Reuse of Historic Resources, and Redevelopment of Blighted Property:
Not applicable

f) The Creation or Retention of Qualified Jobs as a Result of a Technological Shift in Product or Production at the Project Location and Michigan:
Approximately two thirds of the new jobs are a result of the technology shift from internal combustion engines vehicles to electric vehicles. In addition, Ford is committed to maintaining its internal combustion engine product portfolio which supports a large population of customers and helps fund the investment into electric vehicles. The internal combustion engine investment supports increased technology in Ford products to make them attractive to consumers and improved fuel efficiency, safety and performance.

g) The level of other public funds, including but not limited to, the appropriation of federal or Michigan funds and any federal or Michigan tax credits:
Additional incentive support includes a State Essential Services Assessment Exemption estimated to be worth $34,401,120.

h) The level of any private funds, investments, or contributions into the project, including but not limited to, the Qualified Business’s own investments in the project:
Private capital investment is estimated to reach $2.014 billion with 100 percent of the project funding originating from Ford’s own investment in the project.

i) Whether and How the Project is Financially and Economically Sound:
A financial review of the Company was completed and confirmed the Company’s ability to finance the project. The project is in response to market demand and has been approved by Ford’s Board of Directors.

j) Whether and How the Project Promotes Sustainable Development:
Ford’s investment in electric vehicles will contribute to Michigan’s Healthy Climate Action Plan. In addition, Ford’s goal of carbon neutrality by 2050 will encourage sustainable practices in its manufacturing facilities as well.

k) Whether and How the Project Involves the Rehabilitation of a Historic Resource:
Not applicable

l) Whether and How the Project Addresses Areawide Redevelopment and its Overall Economic Benefit to the Existing Supply Chain:
Based on an economic impact analysis of this project using REMI (Regional Economic Models Inc), this opportunity has an employment multiplier of 4.3. This means that an additional 3.3 jobs in Michigan’s economy are anticipated to be created for every new direct job, due to the extensive supply chain that exists in Michigan that can support this opportunity. In addition, these new jobs are generating new income, much of which is spent at local small businesses throughout the community and the state. Over 16 years, the total direct, indirect, and induced jobs will generate over $22.5 billion in new personal income in Michigan.

m) The Extent and Level of Environmental Contamination:
These investments are at existing long term brownfield industrial sites owned by Ford, and Ford will continue to address any subsurface contamination in cooperation with EGLE and other relevant government agencies.

n) Whether and How the Project will Compete with or effect Existing Michigan Businesses Within the Same Industry:
Ford is investing in both key internal combustion engine and electric vehicle facilities in order to manufacture best in class products that customers want. Ford does compete against other Michigan-based OEMs in this space.

o) Whether and How the Project’s Proximity to Rail and Utility will Impact Performance of the Project and Maximize Energy and Logistics needs in Michigan and in the Community Where the Project is Located:
The Dearborn Rouge site, REVC, and Michigan Assembly Plant utilize rail and significant amounts of energy in the manufacturing process. Having robust rail and utility infrastructure is critical to the project’s success.

p) The Risk of Obsolescence of the Project, Products, and Investments in the Future:
These investments involve traditional internal combustion engine vehicles which many consumers want and will continue to be produced for many years in the future. In addition, the electric vehicle products are an emerging and increasingly popular option for certain customers. Investing in both technologies helps Michigan diversify and protect for all future technologies.

q) **The Overall Return on Investment to Michigan:**
   In total, the project is expected to result in over $1.33 billion in state taxes generated for the state of Michigan over a period of 16 years. This calculation was completed using a Regional Economic Modeling Inc (REMI) model.

r) **How the Project Addresses Food Supply Challenges:**
   Not applicable

s) **Other Factors Considered:**
   In addition to the direct benefits of this investment, there will also be positive supply chain impacts. In addition to major light vehicle production sites, 96 of 100 top auto suppliers are active in the state with thousands of manufacturing, testing and R&D sites and commercial vehicle players. In 2019, the automotive industry created 20 percent of Michigan’s total jobs.
APPENDIX C – State ESA Programmatic Considerations

Considerations for State ESA

a) The Applicant is an “Eligible Claimant,” as defined in MCL 211.1053(d), which will claim an exemption for Eligible Personal Property, as defined in MCL 211.1053(e).

b) The eligible investments will be made after MSF approval and completed within three years of execution of the agreement (“Commencement of the Project”).

c) The Company has agreed to pay a State ESA Exemption administrative fee of $10,000 payable to the MEDC for the State Essential Services Assessment Exemption upon completion of the first performance milestone.

d) The Company will invest at least $25 million at each facility with a total maximum investment of up to $1,543,200,000 in Qualified Investments in Eligible Manufacturing Personal Property. The anticipated investment breakdown is outlined below:

<table>
<thead>
<tr>
<th>Location</th>
<th>Total Investment</th>
<th>Eligible Manufacturing Personal Property (EMPP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rouge Electric Vehicle Center</td>
<td>$450,000,000</td>
<td>$280,000,000</td>
</tr>
<tr>
<td>Michigan Assembly Plant</td>
<td>$475,000,000</td>
<td>$380,000,000</td>
</tr>
<tr>
<td>Monroe Packaging Center</td>
<td>$35,000,000</td>
<td>$35,000,000</td>
</tr>
<tr>
<td>Rawsonville Plant</td>
<td>$160,000,000</td>
<td>$129,000,000</td>
</tr>
<tr>
<td>Livonia Transmission Plant</td>
<td>$40,000,000</td>
<td>$32,000,000</td>
</tr>
<tr>
<td>Flat Rock Assembly Plant</td>
<td>$300,000,000</td>
<td>$240,000,000</td>
</tr>
<tr>
<td>VanDyke Plant</td>
<td>$159,000,000</td>
<td>$128,200,000</td>
</tr>
<tr>
<td>Dearborn Engine Plant</td>
<td>$210,000,000</td>
<td>$169,000,000</td>
</tr>
<tr>
<td>Woodhaven Stamping Plant</td>
<td>$75,000,000</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>Sterling Axle Plant</td>
<td>$110,000,000</td>
<td>$90,000,000</td>
</tr>
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**Total Investment/Total Investment in EMPP** $2,014,000,000 $1,543,200,000

e) The 15-year State ESA Exemption is estimated to be worth $34,401,120. The requested exemption breaks down as follows:

<table>
<thead>
<tr>
<th></th>
<th>Years 1 – 5 (2.4 mills)</th>
<th>Years 6 – 10 (1.25 mills)</th>
<th>Years 11-15 (0.9 mills)</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>State ESA Exemption Amount</td>
<td>$16,633,920</td>
<td>$10,547,980</td>
<td>$7,219,220</td>
<td>$34,401,120</td>
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EXHIBIT A

Critical Industry Program Grant Term Sheet

This term sheet (“Term Sheet”) sets forth key terms of a potential Critical Industry Program grant award by the Michigan Strategic Fund (the “MSF”) in favor of Ford Motor Company (the “Company”). The proposed terms and conditions of the CIP Award detailed herein will not be construed as binding upon either party until the mutual execution of a written grant agreement (the “Grant Agreement”). Any obligations that may be deemed to arise under this Term Sheet are contingent on the Company obtaining all necessary corporate approvals, and the MEDC obtaining all necessary Michigan Strategic Fund Board and State of Michigan Legislature approvals.

Scope of the Project: The Company intends to expand and invest in facilities across the State of Michigan to increase its capacity to produce new electric battery and/or vehicles, make capital investments to existing internal combustion engine manufacturing, as well as, construct a new packaging facility in the following multiple sites across Michigan; the Company expects to ramp up over the course of the next two (2) years resulting in an expected creation of at least 3,030 new jobs and a projected investment of $1.16 billion by June 30, 2024, to renovate, build, expand, restructure and/or retool the facilities associated at the Project Sites, defined below (collectively, the “Project”).

CIP Award Requirements: A maximum CIP grant of $100,800,000 (the “CIP Award”) for:

1. Investment Commitment: Investment by the Company of no less than a total of $1,160,000,000 for the Project by June 30, 2024 (the “Investment Performance Deadline”), which the Company shall invest at each of the following sites (each a “Project Site”, together, the “Project Sites”): (collectively, the “Investment Commitment”)

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2. Overall Jobs: Creation of a minimum of 3,030 Qualified Jobs (the “Overall Jobs Minimum”) at the Project, above a Statewide Base of 22,190 Hourly employees (the “Overall Base”), on June 30, 2025 (the “Jobs Performance Deadline”) (collectively, the “Overall Jobs Commitment”).

   - A “Qualified Job” or “QJ” is defined as a job that the Company creates at a Project Site, on or after June 2, 2022, maintained for the previous 12 months, and is performed by either: (i) a Michigan resident whose state income taxes are withheld by the Company, or by an employee leasing company or professional employer organization on behalf of the qualified business; or (ii) a nonresident who is employed by the Company at the Project, as determined and verified by the MSF. A Qualified Job shall not include any employees counted as a Qualified Retained Job in the Ford Global MEGA Agreement.

3. Project Site Jobs: Creation of a minimum of the specified number of Qualified Jobs at each of the corresponding Project Sites (each a “Project Site Jobs Commitment”), above the applicable base jobs at the Project Site (the “Project Site Base”), on the Jobs Performance Deadline, in accordance with the following table:

   1
EXHIBIT A

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<td>645</td>
<td>895</td>
</tr>
<tr>
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<td>240</td>
<td>3,018</td>
<td>3,258</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,030</td>
<td>9,093</td>
<td>12,123</td>
</tr>
</tbody>
</table>

*Figures incorporate both hourly and salaried jobs

Disbursement of CIP Award Funds: CIP Award funds will be disbursed on a reimbursement basis for Eligible Expenses incurred at one or more of the Project Sites and paid by the Company, up to the total CIP Award. The Company shall submit one or more reimbursement requests, at its discretion, but no more frequently than quarterly together with a certification of the Company’s compliance with the Grant Agreement. Requests for reimbursement will be verified by the MEDC Business Compliance of the Legal and Compliance division of the MEDC prior to release of any funds.

- “Eligible Expenses” is defined as hard costs for site preparation, construction, infrastructure, development, machinery, equipment, tooling, computers, furniture, fixtures and other such capital expenditures for the Project at the Project Sites beginning on or after the June 2, 2022. Certain costs, to be more particularly described in the Grant Agreement, such as administrative costs, debt and lease payments, meals and entertainment expense, are not eligible for reimbursement.

- To the extent the Company requests any CIP Award disbursements on or after June 30, 2025, but, in any event no later than September 30, 2025, the amount of the CIP Award available for disbursement based on Eligible Expenses shall be limited to the CIP Award less the value of any Repayment Amounts.

Term of the Agreement: Effective Date through December 31, 2025 (the “Term”).

Security Interest: As required under Section 88s(4)(e) of the MSF Act, MCL 125.2088s(4)(e), the MSF shall have a security interest as defined in section 1201(2)(ii) of the uniform commercial code, 1962 PA 174, MCL 440.1201, to the extent of the CIP Award funds disbursed, and to the extent applicable to the security interest, the Company will sign all ancillary security instruments acceptable to the Company and the MSF. As also required by Section 88s(4) of the MSF Act, the foregoing provision does not apply if it conflicts with any contractual obligation of the Company or any federal or state bankruptcy or insolvency laws. Such security interest will be used to secure the repayment of any amounts owed to the MSF under the Grant Agreement through the end of the Term.

Clawback Provisions: The Company will be required to repay all or a portion of the CIP Award disbursements made under the Grant Agreement upon the occurrence of one or more of the following events (each resulting in a “Repayment Amount”), and repayment is subject to the highest applicable Repayment Amount if one or more of the same circumstances give rise to such events. All Repayment Amounts must be paid within 90 days of written notification by the MSF. Any Repayment Amount not paid within 90 days is subject to a penalty of 1% per month, prorated on a daily basis.
EXHIBIT A

- **Failure to Meet Investment Commitment** – The Company’s failure to satisfy the Investment Commitment by the Investment Performance Deadline will result in the Company’s obligation to repay a portion of the CIP Award Funds received by the Company to the MSF, which will be calculated by dividing: (A) the actual amount of demonstrated investment by the Company for the Project by (B) the Investment Commitment (the “Investment Performance Percentage”). Company shall repay the difference between (A) the amount of CIP Award Funds received by the Company and (B) the amount of CIP Award Funds received by the Company multiplied by the Investment Performance Percentage.

- **Failure to Meet Overall Jobs Commitment** – The Company’s failure to satisfy the Overall Jobs Commitment on the Jobs Performance Deadline will result in Company’s obligation to repay to the MSF a portion of the CIP Award Funds received by Company (or the remainder of which following any repayment required by the Investment Deadline). The Repayment Amount shall be calculated by the dividing (A) the Peak Overall Jobs Attained by (B) the Overall Jobs Minimum (the “Jobs Performance Percentage”). Company shall repay the difference between (A) the amount of CIP Award Funds received by the Company and (B) the amount of CIP Award Funds received by the Company multiplied by the Jobs Performance Percentage. “Peak Overall Jobs Attained” is the peak number of new Qualified Jobs above the Overall Base within 1 year prior to the Jobs Performance Deadline.

- **Failure to Meet Project Site Jobs Commitment**: If the Company meets the Overall Jobs Commitment, but fails to meet 90% of the Project Site Jobs Commitment above the corresponding Project Site Base at any Project Site on the Jobs Performance Deadline, the Repayment Amount for each shall be calculated by the following:

  \[
  \left( \frac{\text{Remaining CIP Award}}{\text{Overall Jobs Minimum}} \right) \times QJ\text{Is below 90% of the Project Site Jobs Commitment} = \text{Repayment Amount}
  \]

  “Remaining CIP Award” = CIP Award disbursed to the Company less any Repayment Amount due to failure to meet the Investment Commitment.

- **Mass Relocation** – If the Company transfers to another State more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all or a portion of CIP Award disbursements made under the CIP Award.

- **Project Abandonment** – If the Company abandons Eligible Expense activities or production at one or more of the Project Sites for a period of one hundred twenty (120) consecutive days after any of the CIP Award is disbursed and on or before the end of the Term it will be required to repay a proportionate amount of CIP Award disbursements made under the CIP Award.

- **Company Bankruptcy or Insolvency** – If the Company files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Company’s operations at the Project, the Company will be required to repay 100% of CIP Award disbursements made under the CIP Award. The MSF would be entitled to foreclose on any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the CIP Award.

- **Material Misrepresentation** – If the Company makes any material misrepresentation under the Grant Agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of CIP Award disbursements made under the CIP Award.

- **Misuse of Funds** – If the Company uses the CIP Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the CIP Award.
**Suspension of Disbursements:** The MSF may immediately suspend making disbursements of the CIP Award upon the occurrence of: (i) an event resulting in a Repayment Amount, or (ii) an event of default, which shall be defined in the Grant Agreement, but shall include, without limitation, material noncompliance with the terms of the Grant Agreement, etc., (iii) default in any other agreement with the State of Michigan or (iv) the occurrence of an event which, with the giving notice or the passage of time, or both, would constitute an event of default.

**Additional State Required Terms:**

- **Amendments** – As required under Section 88s(5) of the MSF Act, MCL 125.2088s(5), the MSF will provide written notice to the Legislature of any requests to modify the fully executed written Grant Agreement and will otherwise comply with requirements of Section 88s(5) prior to taking any action on such amendment request.

- **Annual Compliance Certificate** – During the Term, the Company will be required to sign and submit an Annual Compliance Certificate certifying that the Company is in compliance with the terms and conditions of the Grant Agreement.

- **Annual Progress Report** – During the Term, the Company will be required to submit annual progress reports, which shall include the total number of Qualified Jobs created at the Project Sites, the average annual salary of both the Base Jobs and the Qualified Jobs, and the total investment into the Project. This information will be transmitted to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.

- **Access to Records & Audit Rights** – During the Term and for a period of three years after the Term, and upon reasonable advance notice, the Company is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Company, and any other location where books and records of the Company are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the CIP Award, all at times and locations mutually agreed upon by the parties.

- **Other provisions.** The Grant Agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification, non-discrimination and unfair labor practices, termination of funding, any other requirements of the Critical Industry Program Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act, including without limitation, cross default, and any other provisions of Section 88s.
WHEREAS, the Michigan Legislature enacted the Michigan Strategic Fund Act, MCL 125.2001 et. seq., (the “MSF Act”) to authorize the Michigan Strategic Fund (“MSF”) to provide incentives in the form of grants, loans, and other economic assistance for the development and improvement of Michigan’s economy;

WHEREAS, the Michigan Economic Development Corporation (“MEDC”) provides administrative services to the MSF;

WHEREAS, pursuant to Section 88s of the MSF Act, MCL 125.2088s, the MSF shall create and operate the critical industry program to provide qualified investments to qualified businesses for deal-closing, gap financing, or other economic assistance to create or retain qualified jobs as a result of a technological shift in product or production or make capital investments (the “Critical Industry Program”);

WHEREAS, the Critical Industry Program will be funded through the Strategic Outreach and Attraction Reserve (“SOAR”) Fund created by Public Act 137 of 2021, upon transfer of SOAR funds to the MSF;

WHEREAS, on January 11, 2022, the MSF Board created the Critical Industry Program and approved the guidelines for the implementation and operation of the Critical Industry Program;

WHEREAS, Ford Motor Company (the “Company”) submitted an application on May 6, 2022 seeking a Critical Industry Program grant in the amount of $100,800,000, in order to support a capital investment of more than $1,600,000,000 and a minimum of 3,030 Qualified Jobs in the various sites across Michigan, including the Monroe Charter Township, City of Livonia, City of River Rouge, City of Wayne, and Rawsonville, in accordance with the terms and conditions outlined in the term sheet attached as Exhibit A to this Resolution (the “Grant Request”);

WHEREAS, the MEDC recommends the MSF approve the Grant Request, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request;

WHEREAS, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF wishes to approve the Grant Request.

NOW, THEREFORE, BE IT RESOLVED, subject to the transfer of SOAR funds to the MSF necessary to fund the Grant Request, the MSF Board approves the Grant Request;

BE FURTHER RESOLVED, the MSF President and the MSF Financial Officer are authorized to take all actions necessary to request transfer of SOAR funds to the MSF to fund the Grant Request; and
BE IT FURTHER RESOLVED, the MSF Fund Manager is authorized to negotiate final terms and conditions, and to execute all documents necessary to effectuate, the Grant Request.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
June 2, 2022
Critical Industry Program Grant Term Sheet

This term sheet ("Term Sheet") sets forth key terms of a potential Critical Industry Program grant award by the Michigan Strategic Fund (the "MSF") in favor of Ford Motor Company (the "Company"). The proposed terms and conditions of the CIP Award detailed herein will not be construed as binding upon either party until the mutual execution of a written grant agreement (the "Grant Agreement"). Any obligations that may be deemed to arise under this Term Sheet are contingent on the Company obtaining all necessary corporate approvals, and the MEDC obtaining all necessary Michigan Strategic Fund Board and State of Michigan Legislature approvals.

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**Term of the Agreement:** Effective Date through December 31, 2025 (the “Term”).

**Security Interest:** As required under Section 88s(4)(e) of the MSF Act, MCL 125.2088s(4)(e), the MSF shall have a security interest as defined in section 1201(2)(ii) of the uniform commercial code, 1962 PA 174, MCL 440.1201, to the extent of the CIP Award funds disbursed, and to the extent applicable to the security interest, the Company will sign all ancillary security instruments acceptable to the Company and the MSF. As also required by Section 88s(4) of the MSF Act, the foregoing provision does not apply if it conflicts with any contractual obligation of the Company or any federal or state bankruptcy or insolvency laws. Such security interest will be used to secure the repayment of any amounts owed to the MSF under the Grant Agreement through the end of the Term.

**Clawback Provisions:** The Company will be required to repay all or a portion of the CIP Award disbursements made under the Grant Agreement upon the occurrence of one or more of the following events (each resulting in a “Repayment Amount”), and repayment is subject to the highest applicable Repayment Amount if one or more of the same circumstances give rise to such events. All Repayment Amounts must be paid within 90 days of written notification by the MSF. Any Repayment Amount not paid within 90 days is subject to a penalty of 1% per month, prorated on a daily basis.
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- **Failure to Meet Overall Jobs Commitment** – The Company’s failure to satisfy the Overall Jobs Commitment on the Jobs Performance Deadline will result in Company’s obligation to repay to the MSF a portion of the CIP Award Funds received by Company (or the remainder of which following any repayment required by the Investment Deadline). The Repayment Amount shall be calculated by the dividing (A) the Peak Overall Jobs Attained by (B) the Overall Jobs Minimum (the “Jobs Performance Percentage”). Company shall repay the difference between (A) the amount of CIP Award Funds received by the Company and (B) the amount of CIP Award Funds received by the Company multiplied by the Jobs Performance Percentage. “Peak Overall Jobs Attained” is the peak number of new Qualified Jobs above the Overall Base within 1 year prior to the Jobs Performance Deadline.

- **Failure to Meet Project Site Jobs Commitment**: If the Company meets the Overall Jobs Commitment, but fails to meet 90% of the Project Site Jobs Commitment above the corresponding Project Site Base at any Project Site on the Jobs Performance Deadline, the Repayment Amount for each shall be calculated by the following:

\[
\frac{\text{Remaining CIP Award}}{\text{Overall Jobs Minimum}} \times \text{QJs below 90% of the Project Site Jobs Commitment} = \text{Repayment Amount}
\]

“Remaining CIP Award” = CIP Award disbursed to the Company less any Repayment Amount due to failure to meet the Investment Commitment.

- **Mass Relocation** – If the Company transfers to another State more than 50% of the total number of jobs at the Project on or before the end of the Term, it will be required to repay all or a portion of CIP Award disbursements made under the CIP Award.

- **Project Abandonment** – If the Company abandons Eligible Expense activities or production at one or more of the Project Sites for a period of one hundred twenty (120) consecutive days after any of the CIP Award is disbursed and on or before the end of the Term it will be required to repay a proportionate amount of CIP Award disbursements made under the CIP Award.

- **Company Bankruptcy or Insolvency** – If the Company files for bankruptcy or otherwise becomes insolvent on or before the end of the Term, with any such proceedings against the Company not being set aside within sixty (60) calendar days from the date of institution thereof and results in the material reduction to the Company’s operations at the Project, the Company will be required to repay 100% of CIP Award disbursements made under the CIP Award. The MSF would be entitled to foreclose on any security interest and, in the case of bankruptcy, submit a proof of claim in any such bankruptcy proceedings and seek recovery of the CIP Award.

- **Material Misrepresentation** – If the Company makes any material misrepresentation under the Grant Agreement, any required submissions thereunder, or any reimbursement request to the MSF on or before the end of the Term, it will be required to repay 100% of CIP Award disbursements made under the CIP Award.

- **Misuse of Funds** – If the Company uses the CIP Award for a prohibited purpose during the Term it will be required to repay 100% of grant disbursements made under the CIP Award.
Suspension of Disbursements: The MSF may immediately suspend making disbursements of the CIP Award upon the occurrence of: (i) an event resulting in a Repayment Amount, or (ii) an event of default, which shall be defined in the Grant Agreement, but shall include, without limitation, material noncompliance with the terms of the Grant Agreement, etc., (iii) default in any other agreement with the State of Michigan or (iv) the occurrence of an event which, with the giving notice or the passage of time, or both, would constitute an event of default.

Additional State Required Terms:

- **Amendments** – As required under Section 88s(5) of the MSF Act, MCL 125.2088s(5), the MSF will provide written notice to the Legislature of any requests to modify the fully executed written Grant Agreement and will otherwise comply with requirements of Section 88s(5) prior to taking any action on such amendment request.

- **Annual Compliance Certificate** – During the Term, the Company will be required to sign and submit an Annual Compliance Certificate certifying that the Company is in compliance with the terms and conditions of the Grant Agreement.

- **Annual Progress Report** – During the Term, the Company will be required to submit annual progress reports, which shall include the total number of Qualified Jobs created at the Project Sites, the average annual salary of both the Base Jobs and the Qualified Jobs, and the total investment into the Project. This information will be transmitted to the Legislature as required under Section 9 of the MSF Act, MCL 125.2009.

- **Access to Records & Audit Rights** – During the Term and for a period of three years after the Term, and upon reasonable advance notice, the Company is required to permit the MSF, MEDC, the Office of the Auditor General, the Department of Technology, Management and Budget, and the MSF Chief Compliance Officer to visit the Company, and any other location where books and records of the Company are normally kept, to inspect the books and records, including financial records and all other information and data relevant to the terms of the CIP Award, all at times and locations mutually agreed upon by the parties.

- **Other provisions.** The Grant Agreement will include standard representations, covenants, and other provisions required by the MSF, including without limitation, indemnification, non-discrimination and unfair labor practices, termination of funding, any other requirements of the Critical Industry Program Guidelines, as approved by the MSF, and any requirements of the Michigan Strategic Fund Act, including without limitation, cross default, and any other provisions of Section 88s.
June 15, 2021

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee

Dear Ms. Wilcox:

Pursuant to MCLA 16.51, I hereby confirm my designation of John Groen in addition to Jonathan Smith as the persons authorized and empowered to act in my stead as a member of the Michigan Strategic Fund Board for scheduled meetings I am unable to attend.

If you need anything additional, please contact Diane Burton at (517) 230-5454.

Thank you.

Sincerely,

Susan R. Corbin
Acting Director
February 3, 2020

Ms. Rhonda Bishop  
Board Relations Liaison  
Michigan Strategic Fund Office  
300 N. Washington Square  
Lansing, Michigan 48913

Dear Ms. Bishop:

I hereby confirm and ratify my designation of Michael B. Kapp, Administrator, Michigan Department of Transportation, as the person authorized and empowered to act in my stead for Michigan Strategic Fund meetings that I am unable to attend.

Sincerely,

[Signature]

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File
MICHIGAN STRATEGIC FUND
RESOLUTION
2022-086

APPROVAL OF A STATE ESSENTIAL SERVICES ASSESSMENT EXEMPTION TO FORD MOTOR COMPANY

WHEREAS, the Michigan Legislature passed legislation, 2014 PA 80, to revise the personal property tax system so as to allow individuals, small businesses, and large businesses to thrive and create jobs in the State of Michigan, but which needed to be approved by the qualified electors of the State of Michigan;

WHEREAS, on August 5, 2014, the qualified electors of the State of Michigan approved the legislation to revise the personal property tax system. The approval enacted 2014 PA 92 and 2014 PA 93, the State Essential Services Assessment Act (“SESA”) and the Alternative State Essential Services Assessment Act (“Alternative SESA”);

WHEREAS, SESA and Alternative SESA authorized the creation and operation of the SESA Exemption and the Alternative SESA Program by the MSF pursuant to MCL 211.1059;

WHEREAS, on October 28, 2014, the MSF Board approved the SESA Exemption and Alternative SESA Program Guidelines (the “Program Guidelines”);

WHEREAS, the Michigan Economic Development Corporation (the “MEDC”) provides administrative services to the MSF for the SESA Exemption and Alternative SESA Program;

WHEREAS, the Program Guidelines require that projects be located in Eligible Distressed Areas in order to be eligible for the SESA Exemption (the “EDA Requirement”);

WHEREAS, the Program Guidelines also require a minimum of $100,000,000 of qualified investment in Eligible Personal Property at a project location, as defined in the Program Guidelines, in order to be eligible for a fifteen year SESA Exemption (the “Minimum Investment Requirement”);

WHEREAS, Ford Motor Company (the “Company”) has requested that the MSF Board approve a fifteen year SESA Exemption valued at up to $34,401,120 for an aggregate of $1,543,200,000 in qualified investment in Eligible Personal Property at the following locations (the “Project Sites”), and in the respective maximum qualified investment amount per location:

<table>
<thead>
<tr>
<th>Location</th>
<th>Municipality</th>
<th>Maximum Amount of Qualified Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rouge Electric Vehicle Center</td>
<td>City of Dearborn, MI</td>
<td>$280,000,000</td>
</tr>
<tr>
<td>Michigan Assembly Plant</td>
<td>City of Wayne, MI</td>
<td>$380,000,000</td>
</tr>
<tr>
<td>Monroe Packaging Center</td>
<td>Monroe Charter Township</td>
<td>$35,000,000</td>
</tr>
<tr>
<td>Rawsonville Plant</td>
<td>Charter Township of Ypsilanti</td>
<td>$129,000,000</td>
</tr>
<tr>
<td>Livonia Transmission Plant</td>
<td>City of Livonia, MI</td>
<td>$32,000,000</td>
</tr>
<tr>
<td>Flat Rock Assembly Plant</td>
<td>City of Flat Rock, MI</td>
<td>$240,000,000</td>
</tr>
<tr>
<td>VanDyke Plant</td>
<td>City of Sterling Heights, MI</td>
<td>$128,200,000</td>
</tr>
<tr>
<td>Dearborn Engine Plant</td>
<td>City of Dearborn, MI</td>
<td>$169,000,000</td>
</tr>
<tr>
<td>Woodhaven Stamping Plant</td>
<td>City of Woodhaven, MI</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>Sterling Axle Plant</td>
<td>City of Sterling Heights, MI</td>
<td>$90,000,000</td>
</tr>
</tbody>
</table>

(the aforementioned, collectively, the “SESA Exemption Request”);
WHEREAS, some of the Project Sites do not meet the EDA Requirements or the Minimum Investment Requirement; and

WHEREAS, the MEDC recommends that the MSF Board (1) waive the EDA Requirement for those Project Sites that are not located within an Eligible Distressed Area; (2) waive the Minimum Investment Requirement for those locations where the qualified investment is less than $100,000,000; and (3) approve the SESA Exemption Request and require a one-time administrative fee of $10,000 payable to the MSF upon completion of the first performance milestone (collectively, the “Recommendation”).

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board approves the Recommendation; and

BE IT FURTHER RESOLVED, that the MSF Fund Manager is authorized to negotiate the final terms and conditions of the Recommendation and to execute all documents necessary to effectuate the Recommendation in accordance with the terms of this Resolution.

Ayes: Britany L. Affolter-Caine, Ronald W. Beebe, Rachael Eubanks, Paul Gentilozzi, John Groen (on behalf of Director Corbin, designation attached), Michael B. Kapp (on behalf of Director Ajegba, designation attached), Quentin L. Messer, Jr., Charles P. Rothstein, Susan Tellier, Cindy Warner

Nays: None

Recused: None

Lansing, Michigan
June 2, 2022
June 15, 2021

Ms. Katelyn Wilcox
Board Relations Liaison
Michigan Strategic Fund
300 N. Washington Square
Lansing, MI 48913

Re: Michigan Strategic Fund Board Meeting Designee

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Sincerely,

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February 3, 2020

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Sincerely,

[Signature]

Paul C. Ajegba, P.E.  
Director

cc: M. Kapp  
Executive File